

**ADAPTING TO CHANGE AND ORGANIZATIONAL GROWTH IN SMALL AND
MEDIUM SIZE ENTERPRISES IN MICROFINANCE
DEPOSIT TAKING INSTITUTIONS
IN CENTRAL UGANDA.**

A Thesis
Presented to the
College of Higher Degrees and Research
Kampala International University
Kampala, Uganda

In Partial Fulfillment of the Requirements for the Degree
Master of Business Administration in Accounting and Finance

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December, 2013

DECLARATION A

"This thesis is my original work and has not been presented for a Degree or any other academic award in any University or Institution of Higher Learning".

WARURU EDITH MURUGI



Name and Signature of Candidate

16/10/2013

Date

DECLARATION B

"I confirm that the work reported in this thesis was carried out by the candidate under my supervision".

KASOZI Geoffrey


Name and Signature of Supervisor

16th December, 2013

Date

DEDICATION

To my dear husband, (Francis Ikuro) and my mom (Grace Wanjiru) for the support and encouragement accorded to me throughout my course

ACKNOWLEDGEMENT

I thank the almighty God for taking me through this study in good health.

Special thanks to my supervisor, Mr. Geoffrey Kasozi for his time and contribution to this study and his patience from the beginning to completion. I also thank all the lecturers in Kampala International University, College of Higher Degrees and Research. I also thank the management of all the institutions for allowing me to carry out my study in those institutions.

I appreciate the effort and commitment of each participant in this research study, and also my fellow students and classmates for their moral support and cooperation.

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Acronyms

AMFIU	Association of Microfinance Institutions in Uganda
EFT	Electronic Funds Transfer
MDG	Millennium Development Goals
MDIs	Microfinance Deposit Taking Institutions
MFI	Microfinance Institutions
NGOs	Non Governmental Organizations
PLCC	The Pearson's Linear Correlation Co-efficient
SMEs	Small and Medium Size Enterprises
SPSS	Statistical Package for Social Sciences

Abstract

This study investigated the effect of adapting to change and organizational growth in Small and Medium Sized Enterprises (SMEs) in selected Micro-Finance Deposit Taking Institutions (MDIs) in the central region in Uganda. The parameters of change included technology, innovation, research and development and competent management. Growth was considered in terms of revenue, profitability and liquidity.

The population consisted of 150 respondents with a sample size of 109. Data was collected by use of questionnaire and interview guide, according to the research objectives and questions which were encoded into the statistical research package for social sciences (SPSS). Data was processed and analyzed using descriptive statistics to show the frequencies and percentage distribution. The mean and standard deviations were applied to establish the level of adapting to change and organizational growth in the selected MDIs in the central region in Uganda. The Pearson's linear correlation coefficient (PLCC) was used to correlate the independent and dependent variables to test the existence of significant relationship between the two variables.

The findings also indicated a significant positive correlation between the dependent and independent variables based on 0.01 level of significant and therefore rejecting the null hypothesis, that there is no significant relationship between adapting to change and organizational growth in microfinance deposit taking institutions in the Central region in Uganda.

The study according to the results from the respondents enabled the researcher to conclude that adapting to change in technology, innovation, research and development and also having competent management is imperative if the small and medium sized enterprises specifically the microfinance deposit taking institutions are to achieve organizational growth in terms of revenue, profitability and liquidity. The researcher recommended that MDIs of SME nature should adapt to change as an ongoing process in order to achieve the organizational growth

CHAPTER ONE

THE PROBLEM AND ITS SCOPE

Background of the Study

Historical Perspective

Small and medium-sized enterprises (SMEs) are undoubtedly important to maintain strong economic growth. However, how to sustain their performance in the long term is a big challenge. Sustainable and consistent high performance is depicted by adapting to change as well as healthy performance management practices. For SMEs, adopting to change in the main business processes is key to the successful improvement of their business performance and competitiveness (Cagliano 2001).

Forces of globalization fuelled by advances in new technology have changed the pace of doing business in today's global business environment (Wind & Main 2006). The key to survival and success in this new wave is to foresee the emerging global changes taking place in the business environment and be prepared to pre-empt competition and capitalize on opportunities associated with the dynamics of the new environment.

A general consensus has emerged around the key role that small and medium size enterprises (SMEs) can have in reducing poverty and achieving the Millennium Development Goal (MDGs) in African countries. In order to make use of their potential, SMEs need increased access to bank credit. African SMEs historically have limited access to finance, and this is likely to be exacerbated by the effects of the financial and economic crisis in the continent.

According to the Uganda National Micro, Small and Medium Enterprises (MSME) Policy and Strategy report (2007) the MSMEs sector contributes 20% of the national

GDP. According to this report, the sector provides employment to approximately 1.5 million people; this is about 90% of total non-farming private sector workers. Further, the report asserts that employment growth is 20% per annum in the MSME sector.

The history of micro-financing, of SME nature can be traced back to the middle of the 1800s when the theorist Lysander Spooner was writing over the benefits from small credits to entrepreneurs and farmers as a way of getting the people out of poverty. Independently to Spooner, Friedrich Wilhelm Raiffeisen founded the first cooperative lending banks to support farmers in rural Germany. In the 1800s, various types of larger and more formal savings and credit institutions began to emerge in Europe, organized primarily among the rural and urban poor. These institutions were known as People's Banks, Credit Unions, and Savings and Credit Co-operatives.

In Latin America, microcredit was first used to support small businesses in the context of integrated programs that trained entrepreneurs and helped them with market assessments, provided assistance with sales, and technical assistance. Later it was used to support an employment generation agenda as post oil-crisis recessions swept the region and policy-makers began to understand the shift in employment out of the formal into the informal sectors of the economy. By the 1980's, microcredit was being widely touted as a means to strengthen the budding private entrepreneurial sectors of emerging markets, and only well into the 1990's was it seen as a strategy for direct poverty alleviation.

However, pioneering of modern microfinance is often credited to Dr. Mohammad Yunus, who began experimenting with lending to poor women in the village of Jobra, Bangladesh during his tenure as a professor of economics at Chittagong University in the 1970s. He would go on to found Grameen Bank in 1983 and win the Nobel Peace Prize in 2006. Another pioneer in this sector is Akhtar Hameed Khan who promoted participatory rural development in Pakistan. Today, microcredit can be seen as an

important driver in the move to accomplish full financial inclusion as an important objective.

According to Micro-finance information exchange (MIX) and consultative group to assist the poor (CGAP) report (2011), one of the emerging trends in retail finance in Africa is the mushrooming of green-field microfinance institutions (MFIs). Most of these institutions in Sub-Saharan Africa were created between 2007 and 2009 by holding companies, such as ProCredit, Advans, Access, and MicroCred, and international networks, such as Opportunity Transformations International.

In Uganda, there are four categories of MFIS. Tier one (1) are the Microfinance Institutions consisting of Commercial Banks, tier two (2) are the microfinance institutions that consist of Credit Institutions both tiers licensed under Financial Institutions Act (2004). Tier three (3) Microfinance Institutions consist of Micro Finance Deposit Taking Institutions licensed under the MDIs Act (2003), while Tier four (4) consist of the Microfinance Institutions that are involved in microfinance but do not fall under the Tiers mentioned above.

Most MFIs in Uganda start out as NGOs with a noble vision of reaching out to poor and disenfranchised people funding their operations with grants and concessional loans from donors and international financial institutions. The MFIs are the registered and institutionalized microfinance providers constituted mainly of NGOS both local and foreign, savings and credit cooperatives, and even some commercial banks like centenary rural development bank (CERUDEB). The MFIs provide microfinance services mainly to small and medium size enterprises in a bid to alleviate poverty, through advancement of credit.

The Association of Microfinance Institution in Uganda (AMFIU), an umbrella body of MFIs is a member based organization incorporated in 1999 under the NGO Act, which brings together MFIs in Uganda through development of industry standards and lobbies the government to create a legal framework that enables growth and development of

microfinance within a healthy financial sector. The MDIs are required to have a minimum paid up capital of 500 million, to be invested in liquid assets in Uganda, determined and approved by the Bank of Uganda. This is based on the rationale that failure to have adequate liquidity would threaten the stability of deposit taking MFIs.

Theoretical Perspectives

Schumpeter (1934), theory of entrepreneurship describes an entrepreneur as a person who is willing and able to convert a new idea or invention into a successful innovation. Entrepreneurship employs what Schumpeter called "the game of creative destruction" to replace in whole or in part inferior innovations across markets and industries, while simultaneously creating new products including new business models. In this way, creative destruction is largely responsible for the dynamism of industries and long-run economic growth. Schumpeter asserted that the agents that drive innovation and the economy are large companies which have the resources and capital to invest in research and development.

These arguments may be complementary today. Schumpeter identified innovation as the critical dimension of economic change. He argued that economic change revolves around innovation, entrepreneurial activities, and market power. He sought to prove that innovation-originated market power could provide better results than the invisible hand and price competition. He argued that technological innovation often creates temporary monopolies, allowing abnormal profits that would soon be competed away by rivals and imitators. He asserted that these temporary monopolies were necessary to provide the incentive necessary for firms to develop new products and processes.

Endogenous growth theory on investment in physical capital (Arrow, 1962) or human capital (Lucas, 1988) holds that economic growth is primarily the result of endogenous and not external forces. Endogenous growth theory holds that investment

in human capital, innovation, and knowledge are significant contributors to economic growth. The theory primarily holds that the long run growth rate of an economy depends on policy measures. For example, subsidies for research and development or education increase the growth rate in some endogenous growth models by increasing the incentive for innovation.

Conceptual Perspectives

Throughout history, technological adoption in response to environmental forces has to a larger degree determined the economic fate of nations, firms and individuals. According to Hamid Noori (2000) the world revolves around change. Today, the key to survival for Microfinance Deposit Taking Institutions is the ability to capitalize effectively on the immense potential of advancing technology and channel it for economic and strategic well being of the institution. To do this, institutions must be able to understand the changes that are unfolding in their surroundings in terms of new products and that MFIs need to have better control over their data, and further analytics to identify customer specific risks.

Innovation in Microfinance Deposit Taking Institutions is one of the most significant strength of small businesses. Microfinance Innovation programs support initiatives to help MFIs mitigate political, credit and operational risks, with an eye towards scalability and replicability of the projects across the industry. These programs have the potential to transform the way microfinance is delivered to low-income clients.

Research and development in Microfinance Deposit Taking Institutions is imperative in order to thoroughly understand the capacity and needs of target clients, and assess whether they're servicing these needs on a continuous basis. Incentives that drive organizational performance need to be periodically evaluated and modified as per the industry lifecycle. While traditional industries are often applauded for focusing solely

on their core value proposition, Microfinance Institutions may need to approach solutions more holistically and diversify on their client touch points.

Having competent management in terms of skills and experience ensures socially motivated enterprises that often cater for a large, diverse and politically sensitive client groups. The services need to be thorough, transparent and inclusive practices that are imperative for longer-term sustainability. Goods and or services that are poorly made can quickly reverse a company's success. This may hinder the achievement of the strategic objectives as well as overall organizational goals.

Growth produces pressure towards formalizing organizational policies and procedures. Growth is not without problems and expansion can strain a firm's capital position and damage current operations. (Houghton 2005) states that corporate growth seems to be a basic characteristic of business at least for firms that can obtain capital needed to finance growth. Many small firms obtain financing to counter the risks involved with small businesses and to ensure growth.

Profit margin is an indicator of a company's pricing strategies and how well it controls costs. Differences in competitive strategy and product mix cause the profit margin to vary among different companies. Revenue forecasting is a crucial part of financial planning of a business, in terms of current sales to predict future performance (Glen 2008). Returns in microfinance institutions have to be higher than the interest rates paid to the depositors.

Fast growth often results in dramatic changes in business (Crawford 2008) thus; the management must plan carefully and adjust competently to new and potentially disruptive situation. Every Micro Finance Deposit Taking Institution in pursuant of its objectives must acquire resources that include people, raw materials, equipment, money and information and coordinate their use to turn out raw material to a final good or service. Business growth is a means by which some executives boost their power, prestige and reputation.

Growth poses new problems and requires additional resources that first must be available and then must be used effectively. Microfinance deposit taking institutions grow by expanding their operations, some introduce and sell new but related products, and others expand the sale of present products to new geographical markets already served. Growth from within when properly planned and controlled can have relatively little adverse effects in a firm.

Contextual Perspectives

Locally, authors have researched on microfinance and SMEs in different context such as Microfinance and poverty eradication in Uganda Okurut (2004), Microfinance and corporate governance Kansilime (2009), Contract in Ugandan Business transactions, the case of SMEs Joseph Mpeera (2011), SMEs in public procurement contracts by Peter Obanda (2010), while none of the papers researched offers a broader and more comprehensive view of adapting to change in SMEs, focusing on growth in Microfinance Deposit Taking Institutions. To contribute to this research gap, this paper seeks to explore further to isolate the drivers of change and growth in SMEs, specifically in Microfinance Deposit Taking Institutions in the Central Region of Uganda.

Statement of the Problem

The Uganda Investment Authority SME business guide, (2008) asserts that despite the importance of small and medium-sized enterprises in Ugandan economy, there is no guarantee of SMEs success. Roughly, 90% of small businesses fail within the first five years. In Uganda, Microfinance deposit taking institutions experience difficulties in adapting to new and innovative practices. They are also confronted with fierce local and international competition, limited access to business development services, limited access to information on market opportunities and sources of competitive technology, (Kamukama *et al.*, 2011).

The three key trends that have emerged in the microfinance deposit taking institutions include increased leverage and public deposit, and more generally, a shift

away from subsidized donor grants towards commercial funding. This commercialization of funding sources has brought in more risk for growth in the microfinance sector and a transition to a regulated industry. The poor are getting more vulnerable to increased interest rates as risk is eventually transferred to them (Monzurul *et al.*, 2011)

Dictates of donor independence, stages of development, local and regulatory environment with attendant rise in the cost of capital has facilitated commercialization, which has left no choice to these institutions than to adapt to the changing environment if they are to ensure institutional growth and success. The suffering of the poor and increasing default has become the outgrowth of this movement to commercialization (Muhammad *et al.*, 2011)

It is against this premise that the researcher felt strongly the need to carry out this study to find out how adapting to change influences the growth in SMEs particularly in selected Microfinance Deposit Taking Institutions in the central region in Uganda.

Purpose of the Study

The study established the relationship between adapting to change and organizational growth in SMEs in selected micro-finance deposit taking institutions in the Central region in Uganda. The study ascertained the various dimensions of Adapting to Change, which included technology, innovation, research and development and competent management and their effect on organizational growth in revenue, profitability and liquidity. The cause and effect relationship between adapting to change and organizational growth was determined.

The researcher tested the hypothesis of no significant relationship between the drivers of change and organizational growth in the selected microfinance deposit taking institutions in the central region in Uganda. The researcher also endeavored to bridge the gap of previous studies conducted by other researchers and validated the existing information based on the theories to which the study was based.

Research Objectives

The study achieved the following specific objectives:

1. To find out whether adapting to change in terms of technology, innovation, research and development and competent management has been embraced in the selected micro-finance deposit taking institutions in the central region in Uganda
2. To establish whether adapting to change through technology, innovation, research and development and competent management influences organizational growth in terms of revenue, profitability and liquidity in attainment of organizational objectives.
3. To determine whether there is a significant relationship in the level of Adapting to Change and organizational growth in the selected Microfinance Deposit Taking Institutions in the central region in Uganda.

Research Questions

1. How has the element of adapting to change in terms of technology, innovation, research and development and competent management been embraced in this institution?
2. Has adapting to change in terms of technology, innovation, research and development and competent management influenced organizational growth in terms of Revenue, Profitability and liquidity, in this Institution?

3. Is there a significant relationship in the level of Adapting to Change and organizational growth in the Microfinance Deposit Taking Institutions in the Central region in Uganda?

General Objective

To establish the extent to which adapting to change influences organizational growth in small and medium size enterprises in deposit taking institutions.

Null Hypothesis

There is no significant relationship between Adapting to Change and organizational growth in Microfinance Deposit Taking Institutions in the central region in Uganda.

Scope

Geographical scope

This study was conducted in the Central District in Uganda and covered selected Microfinance Deposit Taking Institutions (MDIs) established to fulfill their mandate of deposit taking from the public and advancing credit to the members of society at a fairer interest rate, compared to the commercial banks, in a bid to alleviate poverty levels in Uganda. The central region was chosen because the headquarters of these institutions and most branches are concentrated in the central region, and hence reliable information was expected. The Micro - Finance Deposit Taking Institutions are also formal institutions established under the MDI Act (2003) and supervised by the Bank of Uganda, but form part of the small and medium sized enterprises.

Theoretical Scope

In this study, the researcher adopted the Schumpeter (1934) theory of entrepreneurship and economic development as well as the endogenous growth theory.

Schumpeter argued that the innovation and technological change of a nation comes from the entrepreneurs, or wild spirits. He coined the word *Unternehmergeist*, German for entrepreneur-spirit. He asserted that the agents that drive innovation and the economy are large companies which have the resources and capital to invest in research and development.

Endogenous growth theory investment in physical capital (Arrow, 1962) or human capital (Lucas, 1988) holds that economic growth is primarily the result of endogenous and not external forces. Endogenous growth theory holds that investment in human capital, innovation, and knowledge are significant contributors to economic growth. The theory also focuses on positive externalities and spillover effects of a knowledge-based economy which lead to economic development.

Time Scope

The study was carried out between March and August 2013. Topic selection, definition and approval were done by March 2013. The introduction and review of literature was done in April 2013. During the month of May, the researcher embarked on the data collection techniques, established the population, the sample size, research design and data analysis procedures. Pretesting of the instruments was done in the same month. After the data collection was completed, tallying of data was done, as well as editing by the end of June 2013. Findings, conclusions and recommendations were completed within the same month. Proof reading, approval and final report presentation was completed by the end of August 2013.

Content scope

The study determined the respondents in terms of age, gender, educational qualification and position held in the selected Microfinance Deposit Taking Institutions in the Central Region in Uganda. The researcher also determined the extent to which

adapting to change has influences growth in Microfinance Deposit Taking Institutions, in terms of revenue, profitability and liquidity in fulfillment of the mandate to which the institutions were established and whether there is a significant relationship between Adapting to Change and the Organizational Growth in these institutions.

Significance of the Study

The study will help the Microfinance Deposit Taking Institutions management to understand the importance of Adapting to Change in shaping corporate life and how to adopt various strategic options as the business environment has become very dynamic with more demanding customers and intense market competition.

The study will be of help to the government in establishing whether the regulations imposed on these institutions are working to accelerate or hinder economic growth, and whether the environment is conducive enough to enable these institutions carry out their mandate. This will also help the government to establish whether to formalize other SMEs that have been ignored for a long time.

The study will also help the Institutions as more funding may be extended by donors if they are satisfied that these institutions are also compliant with the international best practices through performance rating in a holistic global context.

The study outcome will help the researcher gain more insight in understanding of how adapting to change could influence organizational growth in small and medium size enterprises specifically in microfinance deposit taking institutions.

The study will provide a basis for other researchers to improve on the topic based on the findings of the study.

Operational Definitions of Key Terms

Innovation –Is the process of the organization and its employees coming up with new ideas to create a product or service or adopting to new ways of doing things.

Technology- refers to the usage and knowledge of tools, machines, techniques, methods and processes in an organization to solve a problem or improve a pre-existing solution to a problem in order to achieve a goal, handle an applied input/output relation or perform a specific function more efficiently.

Research and development- refers to the discovery and creation of new knowledge both scientific and technological for the purpose of uncovering and enabling improvements of existing and development of valuable new products, processes, and services.

Competent Managerial Skills - refers to managers and team leaders in latest business world who are not only innovative in their own work, but who encourage and assist others to be innovative in every aspect of their work. They possess technical, leadership and interpersonal skills to enable them perform their managerial functions.

Growth- refers to the progressive advancement of change in quantity or quality over a period of time. A company is able to progress from one stage to another from a small firm to a more complex organization due to mass production.

Profitability – Is the excess of income over the expenditure measured over a period of time, and is one of the business objectives set to be achieved to ensure business survival and sustainability.

Liquidity - This is the ability of a company to be able to settle short term debts as and when they fall due, as well as how fast an organization can convert assets into cash.

Revenue – This refers to the sales income in the ordinary course of business, which is matched with expenses to arrive at the net profit of the organization.

Inflation – is when there is too much money in circulation chasing few goods, as well as a rise in the general price of goods and services in an economy over a period of time.

Government regulations – This refers to the government rules, and laws that influence the level of business and conducive business environment in which the businesses operate.

Depreciation of currency – This is the loss of value of the local currency against the foreign currency due to market forces of demand and supply

A Micro Enterprise in Uganda is an enterprise employing maximum 4 people; annual sales turnover of maximum Ugandan Shillings 12 million and total assets of maximum Ugandan Shillings 12 million.

A Small Enterprise in Uganda is an enterprise employing maximum 50 people; annual sales/revenue turnover of maximum Ugandan Shillings 360 million and total assets of maximum Ugandan Shillings 360 million.

A Medium Enterprise in Uganda is an enterprise employing more than 50 people; annual sales/revenue turnover of more than Ugandan Shillings 360 million and total assets of more than Ugandan Shillings 360 million.

CHAPTER TWO

REVIEW OF RELATED LITERATURE

Concepts, Opinions, Ideas from Authors/ Experts

Conceptual framework

The study was based on the conceptual framework developed by the researcher. The independent variables are drivers of change identified as technology, innovation, research and development and competent management, while the dependent variable is the organizational growth, identified as growth in terms of revenue, profitability and liquidity.

Through technological advancement, an organization attains both local and international markets, through communication by use of intranet, internet and extranet. This may be attained through E- business. Research and development ensures that the entity is able to understand the needs of its clients, and hence the products are tailor made to satisfy those needs. Innovation encourages development of new products, processes and idea generation, and this widens the market as the entity is able to come up with a variety of products and/or services. Competent management ensures instituting strong internal controls that are adequate and operational. The effectiveness of the internal controls minimizes various risks in the entity and this reduces losses and leads to organizational growth and success.

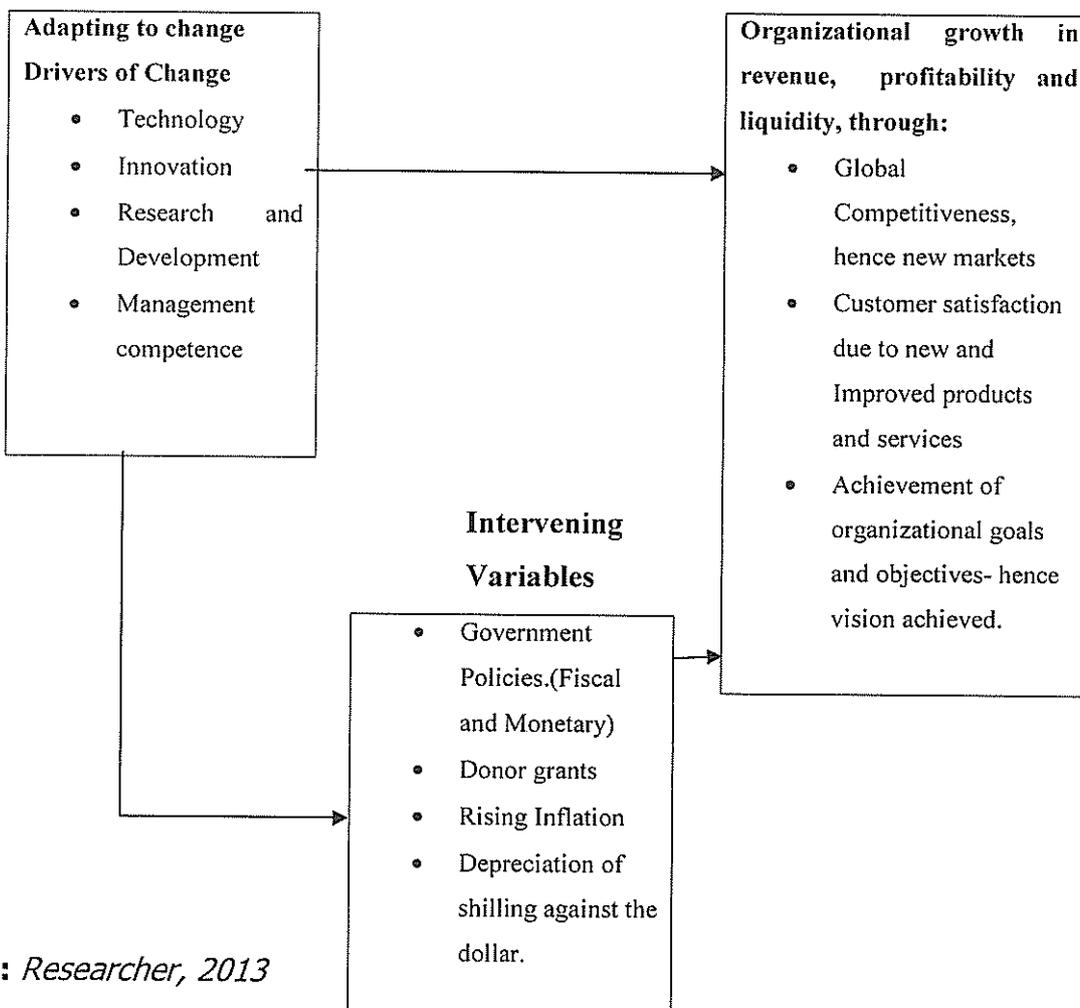
The intervening variables, includes government policies, both fiscal and monetary. Fiscal policies may affect growth in profitability since the taxes imposed by the government reduce profits and hence lower earnings are retained. The monetary policies affects the growth of an entity especially micro-finances through the inflationary measures instituted by the government, increase or decrease in interest rates, determines the rate at which the credit is available to the public. The conducive environment that the government creates would determine the growth and success of

an entity. Donor grants may influence organizational growth by boosting liquidity of the entity through the capital injected. Rising inflation affects organizational growth as it has multiplier effect and the general increase in prices of consumer goods leads to lower demand for goods and services. Depreciation of local currency against other currencies may affect growth and success of the organization as it determines the level of exchange gains and losses especially for the entities that invest in shares and other investments across the borders.

Conceptual Framework

Independent Variable

Dependent Variable



Source: *Researcher, 2013*

Adapting to change

As a newly business becomes established and grows, its organization and pattern of management also changes. To some extent, management must adapt to growth and change in an organization. However, the changes involved in a business moves through periods of 'childhood' and 'adolescence' and are much more extensive than those that occur with the growth of a relatively mature business.

According to Longenecker (2006), for an organization to adapt to change, there will be formalization of management, which will involve the adoption of written policies, preparation of plans and budgets, standardization of personnel practices, computerization of records, preparation of organizational charts and job descriptions, scheduling of training conferences, and institution of control procedures. Flexibility and informality may be helpful at the beginning but growth necessitates greater formality in planning and control.

According to Pride and Hughes (2005), firms that are going to experience success must adapt to change in order to take advantage of opportunities that are out there. They must bring out something that will make them different from others. They must rise to the occasion and meet the demands of an ever changing business environment.

According to Kapoor (2005), a firm does not need permission from anyone to adapt to change. A firm may add or discontinue merchandize or services, change store hours and experiment with various strategies in response to the changes in market conditions. Through personal relationships with customers, the SMEs quickly become aware of the changes in people's needs and interests as well as activities of the implementing firms.

The common events that trigger changes which include failure to generate sales, declining profitability, stalled growth and unexpected opportunities are not initially planned and unforeseen at the start (Amar, 2000).

Drivers of Change

Amar (2000) defines **technology** as another aspect of drivers of change and states that from their empirical research conducted in their 1990 paper, there is substantial evidence that at least certain flexible technologies have promoted the viability of the small firms. Information technology cuts development cycles by feeding customer and marketing comments to product development teams quickly so that they can revive products and target specific customers. The ability to adapt by embracing technology can result in better business results.

Technology is breaking down corporate barriers allowing functional departments or product goods to share critical information instantly. Technology shrinks cycle times, reduces defects, cuts wastes, streamlines ordering and communication with suppliers and customers. Firms that fail to recognize the potential of advanced technology will not be able to respond to changes in the market place and are doomed to failure.

Kartz (2009) defines **Innovation** as one of the drivers of change and that it is the creation of something new or trying something for the first time. Taking advantage of an innovative idea is often the reason why small businesses become successful at doing new things better than anyone else. Innovation of successful firms takes many forms such as fresh ideas and greater flexibility. Invention and innovations are part of the foundation of the economy. They increase productivity through new ways to do a job with less effort for less money.

According to Petty (1997), **competent and effective management** with the relevant skills is part of drivers of change. Firms that are too hesitant to move through the organizational stages and to acquire the necessary professional management limit their rate of growth. The need for effective management becomes more acute as the business expands. In a very small business, defects in management place strains on the business and retard the development in some way.

According to Houghton (2005), **Research and development** as drivers of change has an aim to strengthen the 'innovation capacity' of small and medium-sized enterprises (SMEs) and their contribution to the development of new technology based products and markets. This helps them outsource research, increase their research efforts, extend their networks, better exploit research results and acquire technological knowhow, bridging the gap between research and innovation.

Organizational Growth

A Moore (2006) state that as the firm moves from stage one to stage four, the pattern of entrepreneurial activities changes. The entrepreneur becomes less of a doer and more of a manager. Firms that are overly resistant to move through these organization stages that require the necessary management, limit their rate of growth. The need for effective management becomes more acute as the business expands. However, very small firms survive in spite of weak management.

One way for seeking growth has to do with profits. A larger firm generally has greater sales revenue and thus greater profits. A company that does not grow in a growing economy is actually shrinking relative to the economy. The shortest path to failure in business is under capitalization. This includes the lack of funds to operate a business normally, Hirt *et al.*, (2008). Many small firms cannot obtain financing within their own communities because the rural banks lack the necessary financing expertise or assets sizeable enough to counter the risks involved with small business loans.

Growth in revenue volume requires a corresponding increase in working capital. Non- financial constraints that limit the scope of rapidity of expansion include more sophisticated management methods as the firm becomes big business. Time is also needed to develop or expand a management team to the point that it can successfully manage larger business. Sales are exchange of goods and or services for an amount or its equivalent. Sales are thus the lifeblood of a business as it is what

helps the business pay its employees, cover operating expenses, purchase inventory, market new product.

Growth in profitability looks at the financial returns or rewards that businesses aim to achieve to justify the risk taken. Profits earned determine the growth of the company in terms of re-investments of retained earnings. Profit is an important signal to other providers of finances to a business, for example the financial institutions and suppliers and other lenders (Gong 2009). Sustainable growth is a measure of how much a firm can grow without borrowing more money by increasing its financial leverage. A firm that grows too rapidly may find it difficult to fund the growth. A business that grows slowly or not at all may stagnate.

According to Peterson (2006), the profit margin is mostly used for internal comparison. It is difficult to accurately compare the net profit ratio for different entities. Individual businesses' operating and financing arrangements vary so much that different entities are bound to have different levels of expenditure, so that comparison of one with another can have little meaning. A low profit margin indicates a low margin of safety: higher risk that a decline in sales will erase profits and result in a net loss, or a negative margin.

Growth in liquidity determines the amount of capital that is available for investment and spending (Fabozzi, 2007). Most of the capital is credit rather than cash. That's because the large financial institutions that do most investments prefer using borrowed money. High liquidity means there is a lot of capital. That usually happens when interest rates are low, and so capital is easily available. Low interest rates mean credit is cheap, which reduces the risk of borrowing. That's because the return only has to be higher than the interest rate, so more investments look good. In this way, high liquidity spurs economic growth.

According to Alan Sangster (2008), the government manages liquidity by guiding the interest rate with monetary policy to set the target for the government

information. In a changing environment, the management must efficiently and effectively coordinate the resources if the firm is to earn a profit.

According to Kitty (2008), changes in technology have opened up many new markets to small businesses. The internet infrastructure usage has enabled companies to improve communication with employees, suppliers and customers. Through advanced technology, small companies have expanded their operations abroad. Products and services have been customized for international customers, since small firms can adapt to changes quickly and can stay close to their customers. Future for the business remains promising and the opportunities to apply creativity and entrepreneurship are unlimited.

Kenzi (2008) on innovation and growth, states that the continuing success and competitiveness of small and medium sized firms through rapidly changing conditions in the business world has led many large corporations to take a closer look as to what makes their smaller rivals tick. More and more firms are emulating small businesses in an effort to improve their own bottom line.

Crawford (2008) on research and development stipulates that in a study of industrial new service development it was found out that new products tended to be more successful if they were delivered by well trained expert personnel if they were new in the market and fit well with the market needs. Another more recent study on service development found that service firms could do a better job of getting customer input and matching the services according to the customer needs. Explicit consideration of the role of new products in the organization is strongly related to success.

Theoretical Perspectives

In this study, the researcher adopted the Schumpeter (1934) theory of entrepreneurship and economic development. Schumpeter argued that the innovation and technological change of a nation comes from the entrepreneurs, or wild spirits. He coined the word *Unternehmergeist*, German for entrepreneur-spirit. He asserted that

the agents that drive innovation and the economy are large companies which have the resources and capital to invest in research and development. These arguments may be complementary today.

Schumpeter identified innovation as the critical dimension of economic change. He argued that economic change revolves around innovation, entrepreneurial activities, and market power. He sought to prove that innovation-originated market power could provide better results than the invisible hand and price competition. He argued that technological innovation often creates temporary monopolies, allowing abnormal profits that would soon be competed away by rivals and imitators. He asserted that these temporary monopolies were necessary to provide the incentive necessary for firms to develop new products and processes.

According to Schumpeter (1934), an entrepreneur is a person who is willing and able to convert a new idea or invention into a successful innovation. Entrepreneurship employs what Schumpeter called "the game of creative destruction" to replace in whole or in part inferior innovations across markets and industries, simultaneously creating new products including new business models. In this way, creative destruction is largely responsible for the dynamism of industries and long-run economic growth.

Endogenous growth theory of investment in physical capital (Arrow, 1962) or human capital (Lucas, 1988) holds that economic growth is primarily the result of endogenous and not external forces. Endogenous growth theory holds that investment in human capital, innovation, and knowledge are significant contributors of organizational growth therefore leading to economic growth. The theory also focuses on positive externalities and spillover effects of a knowledge-based economy which will lead to economic development. The endogenous growth theory primarily holds that the long run growth rate of an economy depends on policy measures. For example, subsidies for research and development or education increase the growth rate in some endogenous growth models by increasing the incentive for innovation.

Criticism

The theory by Schumpeter did not dwell on human capital, such as the competent managerial functions and skills as significant contributors of economic growth. The entrepreneurs who come up with an idea rarely possess the managerial skills to run their businesses professionally. They may therefore be required to hire managers as their agents in running day to day operations of the business as seen in Michael Dell and Bill Gates (Microsoft). The researcher will endeavor to look at the human capital as a significant contributor of organizational growth.

Schumpeter talks about large companies which have the resources and capital to invest in research and development. In contemporary world, the small and medium sized enterprises have not been left behind in research and development in a bid to offer the best products that have been tailor made according to customer's tastes and preferences. He also does not factor small and medium enterprises, which many other researchers have pointed out that they are the main drivers of economic growth. The researcher will therefore dwell on issues of research and development in SMEs as contributors of economic growth.

The theory of endogenous growth holds that investment in human capital, innovation, and knowledge are main drivers of organizational growth as well as economic growth, and therefore leaves out technology, which the researcher will be focusing on as one of the variables. Both theories however did not take into account the government intervention through its fiscal and monetary policies, which determine the level of business operations as well as providing conducive environment in which organizations thrive to do their businesses.

Related Studies

Monzurul *et al.*, (2011) in their research study, examined the impact of commercialization on capital structure, mission and performance of microfinance institutions. In their published journal on Commercialization and Changes in capital structure in microfinance institutions – '*An innovation or wrong turn?*' the findings from the study, indicated that leverage decreases the relative level of outreach to the very poor. This is expected as increases in cost of capital leads to higher cost of borrowing, higher default rate and increased risk. The Increased use of commercial debt and equity financing lowers productivity for client-maximizing MFIs through lower conversion of savers to borrowers or the yield rate.

Waweru *et al.*, (2012) in their research study on the use of performance measures, a case study from the microfinance sector in Kenya, in their published research paper examined the use of performance measures by three Kenyan Microfinance institutions, which are classified as formal and client based, and likely to use rational and explicit performance measures.

The findings indicated that MFIs have relatively well-developed performance measures that support their particular businesses. There was a good balance between the use of financial and non-financial performance measures. However, output measures were more commonly used than process measures. The nature of the MFIs suggests the importance of performance measurement. The managers of the MFIs are concerned with performance measurement, as expected within a bureaucracy, and a top-down demand is present. In addition, group members or clients are interested in performance measurement as each member guarantees the loans of all fellow group members who have loans with the MFI. Thus, the customers exert a bottom-up demand for performance measurement.

Kamukama *et al.*, (2011) on the research study on Competitive advantage the mediator of intellectual capital and performance, in their published research paper examined the mediating effect of competitive advantage in the relationship between

intellectual capital and financial performance in Uganda's microfinance institutions. The researchers established the role of competitive advantage in the relationship between intellectual capital and institutional performance. The findings indicated that competitive advantage is a significant mediator in the association between intellectual capital and financial performance and boosts the relationship between the two by 22.4 percent in Ugandan microfinance institutions. Further findings confirmed a partial type of mediation between the intellectual capital, competitive advantage and financial performance

All these related studies conducted did not dwell on the issues of adapting to change and organizational growth. The researcher therefore focused on the drivers of change and how they affect growth in the selected Micro-finance Deposit Taking Institutions. The researcher established the various aspects that could be used as evidence that the institutions may have grown over time, since inception. The researcher was able to make conclusions and recommendations thereafter, based on the results of the study.

CHAPTER THREE

METHODOLOGY

Research Design

This study adopted the descriptive correlation design. Descriptive statistics are non-experimental researches that describe the characteristics of a particular individual or group. The researcher dealt with the relationship between the variables, testing the hypothesis and developing generalizations and the use of theories that have universal validity. The researcher had a clear picture of the phenomena on which to collect the data prior to the data collection, and went ahead to draw conclusions from the data being described. The approach adopted involved both quantitative and qualitative techniques and procedures in combination as well as use of primary and secondary data.

Research Population

The target population included 150 personnel from the various departments of the selected Microfinance Deposit Taking Institutions. This was based on the information that the researcher wanted to obtain for the success of the study. The sample size comprised of 109 respondents. The respondents included the lower, the middle and the higher level managers as well as staff from operations departments. These staff members were chosen because the information required would be better if provided by them as they are involved in the day-to-day operations of the business. The managers through their managerial functions form an integral part of the organization in ensuring the achievement of the various departmental objectives as well as the overall organizational goals and hence the achievement of the corporate vision. Table 1 below shows the population distribution of the respondents per branch.

Table 1 Distribution of respondents per branch (Population)

MDI Institutions	Number of branches per MDI	Number of respondents per branch	Number of respondents in all branches
Finca	6	7	42
Pride	6	4	24
Finance Trust	6	7	42
Letshego	6	7	42
Totals	24		150

Source: Primary data, 2013

Sample Size

The study size comprised a sample of 109 respondents drawn from the 7 districts out of the 24 districts in the central region. These districts were selected basing on the presence of the selected MDIs (Finca, Pride, Uganda Finance Trust and Letshego) in them. A maximum of 5 respondents were selected from 17 branches, while a maximum of 4 respondents were selected from the remaining 6 branches of the microfinance deposit taking institutions. The respondents included 30 from Finca Uganda, 24 from Pride microfinance, 25 from Uganda Finance Trust and 30 from Letshego.

The respondents were drawn from all the levels of management and operations departments chosen from each category. The various levels of management included lower, middle and top management because they are involved in formulating and implementing the departmental policies and objectives which are embedded in the overall strategic objectives of the organization as a whole. Other employees involved in business operations in the various departments were also considered because they are aware of the organizational performance and are also involved in the day to day operations of the business.

sloven's formula was used to determine the sample size. Refer to appendix (II)

$$n = \frac{N}{1 + N(e^2)}$$

Where N = was the target population

n = was the sample size

e = was the level of significance = 0.05

$$e^2 = (0.05)^2 = 0.0025$$

Sampling Procedure

Multistage sampling design was used to select the branches of the Microfinance Deposit Taking Institutions (Finca, Pride, Finance Trust and Letshego). This was carried out at two different levels. The first stage was to select the districts in the central region. In this stage, a total of 7 districts were selected out of the 24 districts in the region. These districts were selected basing on the presence of the selected MDIs in them (Finca, Pride, Uganda Finance Trust and Letshego). The selected districts were Kampala (with most of them), Luweero, Nakaseke, Masaka, Kayunga, Mukono and Mityana.

The second stage of sampling was that of selecting the branches to consider from the identified districts. In the process of selecting the branches, the researcher selected one branch from Pride, UFT, and Finca in each of the districts outside Kampala. The remaining branches were found in Kampala. For the case of Letshego,

the researcher selected 2 respondent branches from Kampala, 2 from Luweero and 2 from Nakaseke. This is shown in table 2 below.

Table 2: Distribution of branches per district

List of MFIs	Kampala	Luweero	Nakaseke	Masaka	Kayunga	Mukono	Mityana	Total
FINCA	5	0	0	0	0	0	1	6
PRIDE	6	0	0	0	0	0	0	6
UFT	2	0	0	1	1	1	0	5
LETSHEGO	2	2	2	0	0	0	0	6
Total	15	2	2	1	1	1	1	23
Total number of branches selected for the study								23

Source: Primary data, 2013

The third stage of sampling involved selection of respondents from the 23 branches. A maximum of 5 respondents were selected from 17 branches and a maximum of 4 respondents were selected from the remaining 6 branches. This is shown in table 3 below.

Table 3 Distribution of respondents per branch (Sample)

MDI Institutions	Number of branches per MDI	Number of respondents per branch	Number of respondents in all branches
Finca	6	5	30
Pride	6	4	24
Letshego	6	5	30
UFT	5	5	25
Totals	23		109

Source: Primary data, 2013

To successfully select respondents from each branch, the researcher employed stratified sampling technique. This was helpful in selecting members from the groups of managerial level, supervision and operations. This was found useful since the researcher managed to obtain responses from the key personnel in the entities. This is shown in table 4 below.

Table 4: Distribution of respondents per category/stratum and branches

Category of respondent	Number of respondents per category per branch	Number of branches	Total
Management position	1	17	17
Supervisory position	2	17	34
Operational position	2	17	34
Totals	5		85
Management position	1	6	6
Supervisory position	1	6	6
Operational position	2	6	12
Totals	4		24
Grand total			109

Source: Primary data, 2013

The distribution of the respondents indicated that they were a representative group of other employees in the entities. In the process of selecting the five and four respondents as indicated in table 4 above, the researcher used simple random sampling to select respondents from each stratum.

Research Instruments

The researcher designed the questionnaire in such a format whereby there were closed and open ended questions. The first section determined the demographic characteristics of the respondents. The second section established the extent of embracing change in technology, innovation, research and development and competent management and the third section established whether adapting to change in terms of technology, innovation, research and development and competent management had an effect on organizational growth in terms of revenue, profitability and liquidity.

This ensured easier data interpretation by use of the spss software package. The respondents were required to answer the closed ended questions using the likert-style

rating scale as either 1= strongly disagree, 2= Disagree 3= Agree 4= Strongly Agree. The open-ended questions enabled the respondents to provide explanations as to why they were of the opinion that adapting to change has an effect on the organizational growth in terms of revenue, profitability and liquidity.

The researcher also designed an interview guide whereby the respondents were interviewed based on the research objectives. The researcher endeavored to establish whether embracing change in terms of technology, Innovation, research and development as well as having competent management influenced organizational growth. The researcher therefore required the respondents to give their views on how embracing change has influenced organizational growth. The responses from the interview complemented the open ended questions in the questionnaire.

Validity and Reliability of the Instrument

Validity and reliability of the research instrument was concerned with the extent to which the research instrument yielded same results. The research instrument was empirically proved through use of content validity index. The research instrument was given to three experts to ensure the validity and reliability. The researcher ensured adequate coverage of content through careful definition of the research study through the literature reviewed and prior discussions with others. A panel of individuals was also used to assess whether each measurement question in the questionnaire was 'essential', 'useful but not essential' or 'not necessary'

Test-retest estimates of reliability was obtained by correlating data collected with those questionnaires collected under as near equivalent condition as possible. The questionnaire was administered twice to the respondents. Internal consistency was used which involved correlating the responses to each question in the questionnaire with other questions in other questionnaires of near equivalent condition as possible. This therefore ensured the consistency of responses across either all the questions or a sub-group of the questions from the questionnaire.

$$\text{CVI} = \frac{\text{Number of questions declared valid}}{\text{Total number of questions.}}$$

Cronbach's Alpha Coefficient, indicated that the overall CVI was 0.817 which was acceptable. Reliability of the respondents through the research instrument was therefore established. Refer to Appendix (III)

Data Gathering Procedures

Before the Administration of the Questionnaire

- An introduction letter was obtained from the College of Higher Degrees and Research in order for the researcher to seek for approval to conduct the study from the selected Microfinance Deposit Taking Institutions in the central region in Uganda.
- The researcher used judgmental sampling to select the micro-finance deposit taking institutions and their branches
- The researcher briefed the respondents about the study. The respondents were requested to sign the consent form.
- Questionnaires were then distributed to the various respondents.
- Some research assistants were selected to assist in data collection. They were also briefed about the research and also the expectations.

During the administering of the questionnaires

- The respondents were requested to answer all the questions

- The researcher and the research assistants were encouraged to collect the questionnaires five days after distribution
- All the returned questionnaires were checked whether the sample size had been fulfilled, and ready for analysis.

After the administration of the questionnaire

The data collected were organized according to the research questions and objectives and encoded into the statistical research package (SPSS) for analysis.

Data Analysis

After filling in the questionnaire, the data were edited, coded and entered into Statistical Package for Social Sciences (SPSS) statistical software. Data were processed and analyzed using descriptive statistics to show the frequencies and percentage distribution, to determine the demographic characteristics of the respondents.

The mean and standard deviation were applied to establish whether Adapting to Change has an effect on Organizational growth in the selected Micro Finance Deposit Taking Institutions in the central region in Uganda. Pearson's linear correlation coefficient (PLCC) was used to correlate the variables and to test the existence of significant relationships among the study variables. The 0.01 level of significance was used to confirm existence of statistical significance among study variables.

The measurement of levels of adapting to change and organizational growth were measured by use of four questions in each variable using the Likert style rating scale. In order to interpret data on adapting to change and organizational growth, the following numerical values and descriptions were used;

Mean Range	Description	Interpretation
3.26 – 4.00	Strongly Agree	Very high
2.51 – 3.25	Agree	High
1.76 - 2.50	Disagree	low
1.00 - 1.75	Strongly Disagree	Very low

Ethical Considerations

The researcher sought consent from the participants and portrayed a sense of integrity. The researcher also ensured that personal bias and opinions and conflicts of interest do not override the interest of the research. The findings of the research were confidential to avoid causing any harm to the respondents. The researcher also sought approval of the University Ethics Committee to ensure utmost confidentiality of the respondents and the information provided by them. All authors of the study were recognized through citations.

Limitations of the Study

The research challenges included respondents failing to respond to all the questions in the questionnaire. The researcher endeavored to minimize the limitations by giving clear guidelines to the respondents and explaining the questionnaire information accordingly. The researcher used 0.05 margins of error due to the threats of validity and reliability which consequently resulted in type 1 and 11 errors.

Data collection tool was not a standardized tool. This therefore posed challenges to the research assistants. This was however overcome by briefing the research assistants to ensure they understood the sampling techniques and data collection procedures.

The researcher did not have control over the extraneous variables such as honesty and personal bias of the respondents. The researcher ensured minimizing this by assuring the respondents that the information was purely for academic purposes and that everything will be confidential.

CHAPTER FOUR

ANALYSIS AND PRESENTATION OF FINDINGS

Introduction

The researcher conducted research with an aim of identifying the influence of adapting to change and organizational growth with specific interest in revenue, profitability and liquidity. Adapting to change was represented by embracing technology, innovation, research and development as well as putting in place competent management team to spearhead the change process.

Questionnaires were issued out to the respondents, and the researcher ensured that a total of 109 questionnaires were returned successfully. This represented 100% response rate basing on the number that was identified as the sample size. The analysis was carried out using SPSS package. Descriptive statistics were obtained and presented as findings for the research study. Means and standard deviations were used to provide meaning to the data collected.

The findings obtained from the analysis process were presented in line with the research objectives which were set out at the beginning of the research study. The researcher presented findings about the respondents who participated in the research study before coming up with the main findings. All these findings are presented in section 4.

Sample characteristics

This section has findings in relation to the respondents who participated in the research study. The researcher has provided findings in relation to these respondents to indicate the credibility of their responses. Basing on the understanding of who exactly the respondents were, the findings in relation to their responses were considered as valid for the research study conducted. These findings are provided in subsections 4 as well.

Basic Sample characteristics

The researcher was interested in having a better understanding of the respondents who participated in the research study. This enabled the researcher to obtain findings presented in table 5. This table was prepared by use of frequency distribution approach.

**Table 5 Profile of respondents
n= 109**

	Frequency	Percent
Male	57	52.3
Female	52	47.7
Total	109	100.0
20-30 yrs	61	56.0
30-40 yrs	33	30.3
40-50 yrs	9	8.3
Above 50 yrs	6	5.4
Total	109	100.0
A Level	3	2.8
First Degree	81	74.3
Masters Degree	10	9.2
PhD	3	2.7
Post Graduate Diploma	12	11.0
Total	109	100.0
Collections	18	16.5
Credit	7	6.4
Sales and marketing	19	17.4
Business Development	1	.9
Operations	46	42.2
Finance and Administration	8	7.3
Audit	3	2.8
Risk and compliance	3	2.8
Accounts	2	1.8
Information Technology (IT)	2	1.9
Total	109	100.0
Finca Uganda	30	27.5
Pride Microfinance Limited	24	22.1
Uganda Finance Trust	30	27.5
Letshego	25	22.9
Total	109	100.0

Source: Primary data, 2013

Findings in table 5 indicate that the respondents were fairly distributed between males and females. This is represented by 52.3% of the respondents being males and 47.7% of them being female respondents. This is an indication that the views presented

in the research findings were fairly balanced since the respondents were not from only one gender.

The findings further indicate that 86.3% of the respondents are between the ages of 20 to 40 yrs. This is composed of 56.0% of the respondents between the ages of 20 to 30 yrs and 30.3% of the respondents in the category of 30-40 yrs of age. This is an indication that majority of the respondents were in their active working age (between 20 and 40 yrs). These findings imply that the respondents were in a position to give sensible and relevant responses.

Focusing on education level, the researcher managed to establish that about 74.3% of the respondents who participated in the research study were degree holders. This education level indicated that the respondents were knowledgeable enough to provide useful information to the researcher. The researcher was convinced that the responses obtained from this group of respondents were good enough for the research study.

The researcher also wanted to establish the level of responsibility that the respondents held in the specific departments in the various institutions. Findings in table 5 revealed that 42.2% of the respondents were from the operations departments, while 17.4% were from the sales and marketing department. This is because majority of the respondents were directly involved in the day to day operations of their respective entities. The fact that the research was about the aspects of innovation, research and development as well as technology used in the running of an entity, obtaining responses from these respondents who are actively involved in the day to day running of the entities, put the researcher in a good position as far as the findings were concerned.

Position held by the respondents contacted

In line with the fact that majority of the respondents came from financial institutions, the researcher wanted to establish their specific roles in the various institutions. This information is displayed in table 6 below.

Position Held	Frequency	Percent
Collections personnel	18	16.5
Loans approval Administrator	2	1.8
Credit personnel	49	45.0
Business Development Officer	1	.9
Supervisor	3	2.8
Accounts Relationship Officer	2	1.8
Marketing Managers	1	.9
Administrative officer	2	1.8
Payments and reconciliations Accountant	1	.9
Internal Auditor	3	2.8
Teller	1	.9
Branch Manager	2	1.8
Customer Care	4	3.7
Risk and compliance officer	3	2.8
Branch Accountant	3	2.8
Accountant	2	1.8
Finance officer	6	5.5
Senior Accountant	2	1.8
IT Officer	2	1.8
Cashier	2	1.8
Total	109	100.0

Source: Primary data, 2013

The findings in table 6 indicate that majority of the respondents were credit personnel. These represented 45% of the respondents contacted. Collection officers represented 16.5% of the respondents that were contacted in the research study. These results indicate that the respondents provided the right responses since they are involved in the day to day operations in the various entities and hence were in a position to respond to questions relating to profitability, liquidity, innovation, research

and development as well as managerial competence in relation to contributing towards organizational growth.

The findings in relation to the sample characteristics indicate that the respondents contacted were actually relevant respondents for the research study. Basing on the characteristics of these respondents, the researcher was confident to rely on the responses provided by them.

These responses are presented in line with the research objectives as represented in tables 7 through to 11 below;

Technology and organizational growth

The first objective that the researcher sought to address was the effect of technology on organizational growth. The researcher sought to bring out this relationship by means of descriptive statistics using means and standard deviations. The interpretation of the results was however based on the means. The higher the mean value, the higher the level of agreement the respondent assigned to a particular statement. These results are displayed in table 7 below.

Table 7: Effect of technology on organizational growth (n = 109)

	Mean	Interpretation	Std. Dev	t-statistics	Rank
Technology has been embraced in my department and the entire Institution	3.8807	Very High	.55652	-11.617	1
Use of Machines eg computers, fax, mobile phones, photocopiers has improved the production efficiency in my department and organization as a whole	3.8807	Very High	.55652	-11.617	1
All my subordinate staff in the department are computer literate	3.6636	Very High	.56542	-15.302	4
All my subordinate staff in the department perform their functions using computers	3.3048	Very High	.87841	-13.943	8
In my department, computers are available to every one	3.1468	High	.97966	-14.421	11
There are intranet network connections in our offices	3.8257	Very High	.55850	-12.605	3
There are extranet network connections in our offices	3.5047	Very High	.87279	-11.796	5
The extranet network connections in our offices enable efficient external communication with new business developments	3.4128	Very High	.96428	-11.771	7
The extranet network connections in our offices enable efficient external communication with existing clients	3.3084	Very High	1.01323	-12.165	8
All IT related problems are solved on a timely basis	3.4907	Very High	.82593	-12.699	6
In this organization we rarely experience system breakdown	3.2477	High	1.00144	-13.055	10

Source: Primary data, 2013

Findings in table 7 indicate that technology has been embraced in most of the institutions and departments in those institutions (3.8807, Very High). As a result, most

of these offices consider highly use of machines such as computers, fax, mobile phones, photocopiers in transacting business on a daily basis. Use of these machines is also reported to have improved the production efficiency in the entities surveyed (3.8807, Very High). The efficiency is further considered to have been boosted as a result of the fact that most of the employees in these offices and institutions are computer literate (3.6636, Very High) and they use computers most of the time to perform their duties (3.3048, Very High). Though there is good use of computers in these organizations, the findings indicate that majority of the respondents fairly agree to the fact that computers are available to everyone in the departments and entities (3.1468, High).

Availability of computers has made it possible for use of intranet connections in most of the offices (3.8257, Very High) as well as extranet connections (3.5047, Very High). Through these connections, there has been efficient communication with new business developments leading to organizational growth and further improvement in the success of the businesses (3.4128, Very High). Apart from communicating to new customers, communication to existing customers has also been boosted through the intranets and extranet connections (3.3084, Very High).

Use of information technology is considered to have been very beneficial in most of the activities of the entities. The findings also indicate that most of the IT problems if not all are solved on a timely basis (3.4907, Very High). Findings also indicate that most of the entities that embrace technology in their operations rarely experience system breakdown (3.2477, High).

In line with the findings already discussed based on the open-ended questions included in the research instrument, and from interviewing the respondents, the researcher managed to obtain the views and opinions of the respondents. According to the views of the respondents, technology has been and is still beneficial towards success of operations in the different financial institutions that the researcher contacted in the research study. Most of them indicated specifically the power of technology to bring about efficiency at work place and reducing the waiting time for customers. For

the purpose of this research, some of the responses were extracted as highlighted below;

"Technology has helped in creating new and maintaining existing customers"

"It has helped to cut down the number of employees in the organization. This has been beneficial in cost cutting strategy"

"Technology has been helpful in enabling the employees work efficiently. This has enabled increase in revenue as well as profitability levels of this entity"

"Because when work is computerized, due to efficiency we are able to attract more clients hence increasing revenue in the institution"

"When clients are in large numbers and they acquire loans in the shortest time possible, the entity is able to increase the revenue as well as profitability and liquidity eventually"

Whereas majority of the respondents indicated that technology has been good for the success of most of these entities, the researcher also obtained findings which indicated otherwise. The respondents with different views accepted that technology indeed brought about improved services though they also pointed out the challenges that some employees experience in embracing the technology making it challenging to contributing to organizational profitability as expected. Some of the comments obtained from these respondents are indicated below.

"Technology has been good for the success of this entity. This technology could have improved operations further though some employees are fond of misusing the technology for their own benefit in social network like twitter and face-book instead of doing constructive work"

"Technology is poorly implemented with a lot of inefficiencies especially in the aspect of accountability"

"Human resource management has failed to sensitize the employees in different departments about the proper use of the technology. Ethical use of the technology has also not been brought to the attention of the employees"

"Though technology is considered to be good, it has had bad effects of retrenchment in most of the entities where it is extensively applied."

These responses indicated that technology use in entities especially in financial institutions is being used. The findings further point out that this technology is influential to the success of these entities. The findings also indicate that the technology does not bring about organizational growth without posing some challenges to the entity.

Innovation and organizational growth

In line with the aspect of technology, the researcher wanted to establish the effect that innovation may have on organizational growth. The researcher intended to establish this basing on the responses obtained from the research study conducted. The findings in relation to this study are presented in table 8 below.

Table 8: effect of innovation on organizational growth (n=109)

	Mean	Interpretation	Std. Dev	t-statistics	Rank
courage my subordinate staff to s come up with new ideas and new ways of doing things	3.8165	Very High	.52994	-13.465	1
r products and/ or processes veloped by my department are oted accordingly by top agers	3.7615	Very High	.60704	-12.702	2
r products and /or processes veloped by my department are oted accordingly by top agers	3.5660	Very High	.71739	-13.404	3
f that come up with new ideas, ucts and / or processes in their ective fields are rewarded	2.8716	High	1.19490	-14.228	4

Source: Primary data, 2013

Findings in table 8 above indicate that most supervisors and managers in SMEs specifically in financial institutions encourage staff to always come up with new ideas and or new ways of doing things (3.8165, Very High). The juniors and other senior personnel are also encouraged to generate new ideas. This enables them to be motivated to continue with the process of idea generation by being given access to communicate their new ideas and products to top managers (3.7615, Very High).

In Addition, creative members of staff in these (SMEs) particularly micro-finance Deposit taking entities are considered to be motivated by the management through adopting the new ideas, products and processes developed by the employees (3.5660, Very High).

However, these entities (the MDIs of SME nature) are reported not to be able to provide any other form of motivation apart from recognizing the new ideas and accepting the new products and processes that the creative employees come up with. This is evidenced with the findings that employees who come up with new ideas, products and or processes in their respective fields are not rewarded in a special way, apart from being verbally recognized and their ideas being incorporated in their institutions (2.8716, High).

These findings indicate that the aspect of innovation in MDIs of SME nature has been very instrumental in bringing about organizational growth. The findings further reveal that this growth has been in form of revenue generation through the design and implementation of new products and processes. The increase in revenue is further translated in form of liquidity and hence profitability.

The researcher further obtained findings in relation to the effect of innovation on organizational growth from the responses in the open ended questions in the research instrument and from interviewing the respondents. According to the findings from these respondents, innovation has been of great importance to most of these microfinance deposit taking institutions. For the purpose of this research, the following comments from the respondents were obtained;

"Innovation helps in two fundamental items in FINCA – introducing and improving new products while strengthening internal controls"

"Through introduction of new products, FINCA has been able to increase revenue and maintain customers. In the process, the liquidity of the business has been boosted"

"Through increased revenue and strengthening internal controls, FINCA has been able to increase profits"

"Innovation has been useful in the creation of awareness of our products. This has greatly been experienced through innovation in marketing and sales department"

"Innovation has been useful in this business since it has been influential in generating profits"

"The concept of innovation has been helpful in profit generation of this company. The profit generated has been useful in improving the state of the business."

"The introduction of weekly payments in group loans has helped both clients and the organization to achieve their objectives especially in expansion of the business"

"The weekly repayment plans have been useful in generating enough revenue and increasing the liquidity position of the business leading to revenue growth"

"The introduction of other top-up loans such as Agriculture loans and Asset Financing have been instrumental in maintaining and increasing market share leading to profitability"

"Our services become more profitable if we have more products to provide to clients"

These findings indicate that the respondents were aware of the existence of innovation in the business operations they have as MDIs. Through the findings presented, it is further clear that the respondents recognize the importance of the

concept of innovation especially in bringing about organizational growth through improvement in revenue, liquidity and profitability.

Effect of Research and development in relation to organizational growth

Considering the effect of research and development on organizational growth, the researcher obtained findings in relation to this objective as documented in table 9. Descriptive statistics have been prepared in line with the findings using means and standard deviations. The interpretation of the findings was based on the means and their ranking.

Table 9: Effect of research and development on Organizational Growth (n=109)

	Mean	Interpretation	Std. Dev	t-statistics	Rank
One of our core values is customer satisfaction	3.9633	Very High	.26966	-20.779	1
To keep abreast with new developments about the consumers' preference, we engage in research and development	3.8440	Very High	.45490	-15.055	3
In our organization, we consider a customer as king	3.7890	Very High	.60970	-12.175	4
Our objective in customer satisfaction is to ensure that our products and/ services are tailor made to the customer needs	3.9174	Very High	.38798	-15.677	2
We have a formal feedback mechanism to measure the impact of customers' response to our products and / or services for improvement	3.6422	Very High	.75182	-11.912	5

Source: Primary data, 2013

Basing on the findings in table 9 above, research and development has been carried out consistently in microfinance deposit taking entities. The findings indicate that the research and development activities have been done with an aim of ensuring

that the customers get the best service they deserve basing on the consideration that 'customer is the king'. This has also been considered to be one of the core values of most of the MDI entities considered in the research study (3.9633, Very High).

Still focusing on the concept of 'customer is the king', (3.8440, Very High) the research findings indicate that microfinance institutions tend to keep abreast with new developments about consumer preferences by engaging in research and developments (3.7890, Very High). Further through research and development, findings indicate that the objective of companies in customer satisfaction is to ensure that their products and or services are tailor made to the customers' needs (3.9174, Very High). In the process of carrying out research and development microfinance institutions are reported to have come up with a formal feedback mechanism to measure the impact of customers' response to their products and or services for improvement (3.6422, Very High).

In line with the responses relating to the status of research and development in microfinance institutions, the researcher obtained individual responses indicating how research and development has been beneficial towards organizational growth. This was achieved through a set of open-ended questions in the research instrument administered to the respondents, as well as interviewing the respondents. Some of the responses that the researcher managed to obtained are indicated below;

"Research and development helps to improve the marketing plan which helps to improve the market share and growth of the business"

"Market share is a function of revenue growth. Through research and development this is enhanced. Weak areas in revenue generation are also identified with an aim of fixing them for better revenue generation"

"Through research and development, revenue losses have been reduced to negligible levels"

"The department engaged in research and development has been helpful in assessing competitiveness of the entity. Review of existing products has also been done"

with an aim of coming up with better products. This has been useful in influencing organizational growth”

“Research and development has been useful in ensuring that this micro-finance gets a competitive edge. This has further been useful in influencing revenue growth”

“Through research and development, EFT and mobile money payments were introduced. This has been useful in enhancing liquidity levels of the business”

These findings indicate that research and development has been considered to be useful in enhancing growth for SME of microfinance nature. Looking at findings given, especially the findings that the respondents gave in form of comments, it indicates that research and development has been carried out for a good number of years. In addition, the findings confirm that research and development is good for MDIs and it indeed influences revenue growth, good liquidity position, increase profitability and hence contributing to organizational growth.

Effect of Competent management on organizational growth

The researcher further established whether competent management could also influence organizational growth. The researcher went out to establish whether having competent management in microfinance deposit taking institutions could bring about organizational growth in terms of revenue, profitability and liquidity. Results related to this are highlighted in table 10 below.

Table 10: Effect of Competent Management on Organizational Growth (n=109)

	Mean	Interpretation	Std. Dev	t-statistics	Rank
Have the right competence in terms of skills and experience for the position I hold in this department	3.9259	Very High	.44729	-13.338	1
Embrace change and encourage flexibility in my department in my department to ensure efficiency and effectiveness	3.8981	Very High	.40878	-15.301	2
Analyze the strengths and weaknesses of my subordinates to propose for career training and development	3.7963	Very High	.55969	-13.066	7
Ensure that the departmental activities are aligned to the strategic objectives	3.8704	Very High	.38893	-16.824	3
Ensure that activities in this department are performed as per the activity work plans	3.8333	Very High	.50233	-13.792	6
Ensure that internal controls instituted in my department are adequate	3.8462	Very High	.45729	-14.582	5
Ensure that internal controls instituted in my department are operational	3.6415	Very High	.74564	-11.854	8
Ensure that internal controls instituted in my department are effective	3.8692	Very High	.36560	-17.849	4

Source: Primary data, 2013

Findings in table 10 above indicated that majority of the respondents contacted were competent in different positions and responsibility assigned to them. This is both in terms of skills and experience that they possess in order for them to hold the particular positions (3.9259, Very High). The respondents further indicated that they are flexible and willing to embrace change as and when it occurs (3.8981, Very High). The respondents further indicated that their competence is improved by ensuring that their

work is not affected. This was through carrying out an analysis of strengths and weaknesses with an aim of identifying skills gap, suggesting training areas and recommending training opportunities where necessary (3.7963, Very High).

From the findings as indicated in table 10, respondents indicated that departmental objectives are aligned to the strategic objectives (3.8704, Very High). Competent management was further considered to have been useful in ensuring that activities at departmental level were performed as per the activity work plans (3.8333, Very High). The respondents further indicated that having competent management in the organization is useful to ensure that internal controls are adequate at both departmental and organizational levels (3.8462, Very High).

In addition, the researcher obtained findings in relation to how competent management is useful in bringing about organizational growth directly from respondents through the open ended questions in the research instrument as well as from interviewing the respondents. Like findings presented through descriptive means, the respondents also commented as highlighted below;

"Competent managers think for the growth and development of FINCA through setting strategic objective and set guidelines on how they are going to be achieved"

"Competent management strengthens the foundation and future of the organization"

"Competent management is useful in setting targets and achieving them. This is useful in realizing revenue growth.....it has happened in my organization and I believe it will continue happening"

"If set targets are achieved and costs are minimized through competent management, this institution can make good returns"

"Competent managers plan for any eventualities and control the existing liquiditythis in turn brings about improved profitability and eventually organizational growth"

"Efficient decision making and constructive criticism from subordinates are made possible through the presence of competent management.....this is very important in strengthening internal controls of the entity....this in turn leads to profitability and hence organizational growth"

The findings indicate that competent management has been very important towards organizational growth in most of these microfinance institutions. It is therefore necessary for these MDIs to have competent management teams and systems in place in order to ensure success in the overall operations of these entities.

Relationship between adapting to change and organizational growth

**Table 11 : Correlation results
n= 109**

	1	2	3	4	5
Technology use (1)	1				
Innovation (2)	.479**	1			
Research and Development (3)	.409**	.348**	1		
Competent management system (4)	.459**	.512**	.591**	1	
Organizational growth (5)	.435**	.421**	.530**	.603**	1

*** Correlation is significant at 0.01 levels (2 – tailed)*

Source: Primary data, 2013

Findings in Table 11 above indicate that all the four components of embracing change have an effect in organizational growth. This effect is further considered to be significant basing on the findings.

The first variable, Technology use, is considered to be strongly related with organizational growth ($r = 0.435$; $p \leq 0.01$). This is an indication that continual use of technology in the operations of micro finance institutions is likely to ensure continual

organizational growth in the micro finance operations. In line with the technological influence on organizational growth, the findings also indicate that innovation has the same effect ($r = 0.421$; $p \leq 0.01$).

Carrying out research and development is also beneficial and influential to organizational growth ($r = 0.530$; $p \leq 0.01$). The influence is also extended from the point of view of presence of competent management systems in a micro finance institution. These systems are also considered to have influence on organizational growth ($r = 0.603$; $p \leq 0.01$).

These findings indicate that improvement in any of the variables that represents adoption of change in a micro finance institution has an effect on increasing the level of organizational growth in totality.

**Table 12: Correlation results
n=109**

Variables correlated	r - value	P Values	Interpretation	Decision on H₀
Adapting to change and Organizational growth	0.602	0.000	There is a significant relationship	Reject H ₀

Source: Primary data, 2013

The findings in table 12 above indicate that there is a positive and significant relationship between adapting to change and organizational growth in MDIs ($r = 0.602$, $p \leq 0.01$). This relationship means that by management of these MDIs adapting to change in their operations, they stand a chance to improve organizational performance of these institutions.

The researcher also carried out a regression analysis. The aim was to establish the percentage change and the degree of strength of the significant relationship between adapting to change and organizational growth in the microfinance deposit taking institutions. This is indicated in table 13 below.

**Table 13: Regression results
n=109**

Variables regressed	Computed F-Value	r ²	P Values	Interpretation	Decision on H ₀
Acceptance of change, Organizational growth	60.136	0.362	0.000	Adapting to change significantly influences organizational growth	Reject H ₀

Source: Primary data, 2013

The regression analysis results indicate that 'Adapting to change' is a significant predictor (F = 60.136; Sig = 0.000) of organizational growth. Table (13) above indicates that adapting to change influences organizational growth significantly up to 36.2%. This means that organizational growth is also influenced by other factors up to 63.8%, which are not part of the current study. The results from the regression analysis indicate that the null hypothesis should be rejected which indicated that there is no significant relationship between adapting to change and organizational growth.

Multiple regression results

The researcher obtained multiple regression results with an intention of identifying the influence of predicting variables on to organizational growth of microfinance deposit taking institutions of SME nature. To be able to achieve appealing results, a hierarchical multiple regression analysis was carried out in order to establish the influence of each independent variable onto the dependent variable as well as the group influence. This analysis was carried out following the hierarchical multiple regression equations below;

$$Y = a + \beta_1 X_1 \dots \dots \dots \text{Model 1}$$

$$Y = a + \beta_1 X_1 + \beta_2 X_2 \dots \dots \dots \text{Model 2}$$

$$Y = a + \beta_1X_1 + \beta_2X_2 + \beta_3X_3.....Model\ 3$$

$$Y = a + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4.....Model\ 4$$

Where;

Y = Organizational growth

a = Statistical constant for a regression equation

β_1X_1 = Percentage influence of technology on Organizational growth

β_2X_2 = Percentage influence of Innovation on Organizational growth

β_3X_3 = Percentage influence of Research and Development (R&D) on Organizational growth

β_4X_4 = Percentage influence of competence management on Organizational growth

**Table 14: Hierarchical multiple regression results
n= 109**

	Model 1	Model 2	Model 3	Model 4
Dependent variable	OG	OG	OG	OG
R	0.390	0.436	0.561	0.644
R-Square	0.152	0.190	0.315	0.415
Adjusted R-Square	0.144	0.175	0.295	0.392
R-Square change	0.152	0.038	0.125	0.100
F-statistics	18.963	12.319	15.909	18.240
Model significance	0.000	0.000	0.000	0.000
Predictor(s)	T	T, I	T, I, R&D	T, I, R&D, CM
Standard Beta Coefficients	0.390	0.279, 0.225	0.183, 0.144, 0.384	0.101, 0.051, 0.211, 0.417
Significance of predictors	0.000	0.007, 0.028	0.059, 0.132, 0.000	0.270, 0.579, 0.024, 0.000

Source: Primary Data, 2013

Note:

OG - Organizational Growth

T - Technology use

I - Innovation

R&D - Research and Development

CM - Competent Management

The results in table 14 above indicate that all the four models that have been given as outputs from the hierarchical regression analysis are significant models (*Ref: Model significance row*). This is an indication that they can be based upon to make conclusions to the results of the analysis.

The results further indicate that a combination of technology use, innovation, research and development as well as competent management influence up to 41.5% (*Ref: Model 4, R-square row*) in organizational growth. This is an indication that there are other factors that influence the remaining percentage (58.5%) of changes in organization growth. These factors were however not part of the current research study.

Focusing on specific dependent variables, the results indicate that technology use has the highest influence onto the changes in organization growth, reflected at 15.2%. This is followed by the influence of research and development activities in these MDIs which is reflected at 12.5%. Competent management according to the results influences organizational growth up to 10.0%. The use of innovation influences organizational growth up to 3.8% (*Ref: R-Square change row*). The low influence from embracing innovation is likely to have been overshadowed by the influence of research and development since they are likely to bring about more or less similar results in practice.

Comparing the degree of influence as measured by the coefficient of determination (*R – Square row*) to the strength of prediction of the independent variables as measured by the 'standard beta coefficients', slightly different results are realized. According to the results of strength of prediction, technology use is reported to be a significant predictor ($B = 0.390$; $Sig = 0.000$) when it is stand alone. Introducing innovation in the model reduces the strength of prediction of technology to 0.279 (*Beta Value*) at significance level of 0.007. At this point, innovation is reported to have slightly lower strength of prediction compared to technology use at 0.225 (*Beta Value*) and significance level of 0.028.

Introducing research and development in the model reduces further the strength of prediction of technology use to 0.183 (*Beta Value*) though at this time it becomes slightly insignificant predictor ($Sig = 0.059$). At this point, strength of innovation to predict organizational growth is reported to have reduced to 0.144 (*Beta Value*) at significance level of 0.132 (Insignificant predictor). Research and development activities are reported to have the highest strength of prediction at 0.384 (*Beta Value*) and significance level of 0.000. Introducing competent management system further reduces the strength of prediction of technology use to 0.101 (*Beta Value; Sig = 0.270*), Innovation to 0.051 (*Beta Value; Sig = 0.579*) and Research and Development to 0.211 (*Beta Value; Sig = 0.024*). At this point, use of competent management in MDIs of SME nature is reported to have the highest strength of prediction (*Beta value = 0.417; Sig = 0.000*).

These results indicate that only involvement of competent management and use of research and development practices have a significant strength of prediction (Their levels of significance are below 0.05). Of these, use of competent management systems is reported to have the highest level of prediction ($Beta = 0.417$) compared to research and development ($Beta = 0.211$). This is when all the 4 independent variables are in play in an organization.

Though technology is considered to have insignificant strength of prediction, it is reported to be significant only when it exists with some degree of innovation (*Ref: Model 2*) or when it is considered alone (*Ref: Model 1*). Though technology has the highest rate of determination when compared to other independent variables, it is reported to have the lowest strength of prediction of organizational growth.

CHAPTER FIVE

FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

Introduction

The research study was carried out with an aim of establishing whether adapting to change could influence organizational growth. The findings were obtained, discussed and documented in chapter four. Conclusions of the study and recommendations have been elaborated in this Chapter.

This Chapter is organized in three main sections. The first section has information relating to discussions of the findings. The second section contains the conclusion of the whole research work. Basing on the conclusions in the second section, the recommendations have been provided in the third section.

Discussion of the findings

The researcher prepared discussion of findings based on the research objectives which included. (1) To find out the extent to which the element of adapting to change in terms of technology, innovation, research and development and competent management has been embraced in the selected MDI institutions. (2) To establish whether adapting to change through technology, innovation, research and development and competent management influences organizational growth in terms of revenue, profitability and liquidity in attainment of organizational objectives. (3) To determine whether there is a significant relationship in the level of Adapting to Change and organizational growth in the selected Microfinance Deposit Taking Institutions in the central region in Uganda.

The current findings have also been compared with previous information on literature review to establish similar situations and/or differences. This has been prepared in four sub-sections. Each subsection contains a discussion of the findings in relation to the research objectives, conclusions and recommendations. The details of the discussions are outlined in subsections 5.1.1 through to 5.1.4.

Profile of the respondents

In terms of gender, the respondents were fairly distributed, by males representing 52.3% while female represented 47.7%. This indicated a fairly balanced view of both gender. In terms of age, 86.3% of the respondents were between the ages of 20 to 40 yrs. These respondents were in their active working age, and therefore provided relevant responses.

Focusing on education level, 74.3% of the respondents were degree holders. They therefore clearly understood the relevance of the study. Considering the specific departments that the respondents were working in the various institutions, 42.2% were from operations, while 17.4% were from the sales and marketing departments. The respondents were directly involved in the day to day operations of their respective entities. Their responses were therefore considered as relevant and valid for the study.

To find out the extent to which adapting to change in terms of technology, innovation, Research and development and competent management has been embraced in the selected institutions

Embracing Technology

Technology has been embraced in most institutions and also in various departments in those institutions (3.8807, very high). Most of these offices use machines such as computers, fax, mobile phones, and photocopiers in transacting business on a daily basis which has greatly improved the production efficiency in the entities surveyed (3.8807, very high). Most of the employees in these offices and institutions are computer literate (3.6636, very high) and use computers to perform their duties (3.3048, very high) however; majority fairly agreed that computers were available to everyone in the departments and entities (3.1468, high).

Availability of computers made it possible to use intranet (3.8257, very high) and extranet (3.5047, Very High), connections in most offices resulting in efficient communication, which brought about new business developments hence leading to

organizational growth and further improvement in the success of the businesses (3.4128, very high). Communicating to existing and new customers have been boosted through the intranets and extranet connections (3.3084, High). Most of the IT problems were solved on a timely basis (3.4907, very high), in various entities and these entities rarely experienced system breakdown (3.2477, high).

These findings are further supported by previous literature by Kitty (2008). According to Kitty, technology has been very influential in creating market opportunities for small and emerging businesses where most MDIs belong.

Amar (2000) also highlighted that technology is one of the important dimensions through which an entity can realize change in its operations and therefore needs to be enhanced and monitored since it keeps changing.

Embracing Innovation

Most supervisors and managers in Micro-finance deposit taking institutions encouraged employees to always generate new ideas and or new ways of doing things (3.8165, very high). This motivates them since they are given an opportunity to communicate their new ideas, products and processes to the top managers (3.7615, Very High).

The employees are also motivated by the management adopting their new ideas, products, and processes (3.5660, Very High). However, these entities provide no other special form of motivation (2.8716, high) The aspect of innovation in SMEs particularly MDIs is very instrumental in bringing about organizational growth through the design and implementation of new products and systems.

These findings are further supported by the literature by Gong (2009) and Peterson (2006). Through Innovation many new things are expected to be in place. In the process, an entity is able to realize growth though the speed of growth cannot be pre-determined.

Embracing Research and Development

Considering the research and development, activities in MDIs have been done with an aim of ensuring that the customers get the best services they deserve based on the consideration that 'the customer is the king'. This is one of the core values of most of the MDIs (3.9633, very high).

Still focusing on the concept of 'customer is the king', (3.8440, very high) MDIs keep abreast with new developments about consumer preferences (3.7890, very high). These institutions ensure that their products and or services are tailor made to the customers' needs (3.9174, very high). These institutions come up with a formal feedback mechanism to measure the impact of customers' response to their products and or services for improvement (3.6422, Very High). Research in MDIs is done in different forms and to different categories of people. Design of new products that match the tastes and preferences of the customers is also done through use of information obtained from carrying out research activities.

Findings in relation to availing new products into the market are supported by Houghton (2005) that there is need to always be a market leader through research and innovation. New products in the market first helps an entity to realize a monopoly status at least for a short time until the new product is imitated by the competitors.

These findings are also in line with those indicated by Crawford (2008). According to Crawford, an entity can be assured of survival if it is able to be at the top of other entities in accessing new information. The best and most convenient way of accessing new information considered to be through research and development.

Embracing Competent management

Competent managers in micro-finance deposit taking institutions possess the right competence in terms of skills and experience and held various positions in line with the responsibilities assigned to them in various departments in these institutions (3.9259, very high). The managers embrace change as and when it occurs (3.8981,

very high). Their competence is improved by ensuring that their work is not affected and that they analyze the strengths and weaknesses of their subordinates with an aim of identifying skills and competence gap and subsequently suggesting training areas and recommending training where necessary (3.7963, very High).

The departmental objectives are aligned to the strategic objectives (3.8704, very high). Competent management in these institutions is useful in ensuring that activities at departmental level are performed as per the activity work plans (3.8333, very high). Having competent management in these organizations ensures that strong internal controls are adequate at both departmental and organizational levels (3.8462, very High), which reduces various risks.

The findings are supported by Hirt (2008). Hirt indicated that competent management is useful in ensuring that there is a good internal control system in place. This internal control system is considered to be useful and beneficial in putting in place sound managerial practices that are useful for the continuous success of the business.

To establish whether adapting to change through technology, innovation, research and development and competent management has influenced organizational growth in terms of revenue, profitability and liquidity in attainment of organizational objectives.

Technology and organizational growth in terms of revenue, profitability and liquidity

In line with the findings based on open-ended questions included in the research instrument, it was established that technology has been and is still beneficial towards success of operations in the different microfinance deposit taking institutions. Technology brings about efficiency at work place and reduces the waiting time for customers in these institutions. Technology has also helped in creating new and maintaining existing customers and to cut down the number of employees in MDIs which has been beneficial in cost cutting strategy and subsequently increasing revenue as well as profitability levels of these entities.

Due to efficiency brought about by technology, more customers are attracted thereby increasing revenue in these institutions. Large numbers of customers acquire more loans in the shortest time possible, and the entity is able to increase the revenue through loan repayments and interest income and subsequently profitability and eventually liquidity.

Technology indeed has brought about improved services in these institutions but also there are also challenges experienced in contributing to organizational profitability. However, technology does not bring about organizational growth without posing some challenges to these entities. At times, employees access the social networks like twitter and face-book hence reducing their level of efficiency, which affects organizational growth in revenue, profitability and liquidity.

These results can be supported by Amar (2000), in that the ability to adapt to change by embracing technology can result in better business results. Technology shrinks cycle times, reduces defects, cuts wastes, streamlines ordering and communication with suppliers and customers. Firms that fail to recognize the potential of advanced technology will not be able to respond to changes in the market place and are doomed to failure.

Innovation and organizational growth in terms of revenue, profitability and liquidity

Innovation in micro-finance deposit taking institutions has been very instrumental in bringing about organizational growth in form of revenue generation through design and implementation of new products and systems. The increase in revenue is also in form of liquidity and profitability. Responses in the open ended questions in the research instrument indicated that innovation has been of great importance to most of these microfinance deposit taking institutions. Through Innovation new and improved products have been developed while strengthening internal controls. Through introduction of new products, there has been increased revenue and maintaining of customers and in the process, boosting the liquidity of the business and hence profitability. Through strengthening internal controls, there has been increased

Weekly payments introduced for group loans have helped both clients and the organizations to achieve their objectives especially in revenue growth. Introduction of top-up loans such as Agriculture loans and Asset Financing have been instrumental in maintaining and increasing market share leading to profitability. The services become more profitable when more products to are provided to the customers

These results are supported by Kartz (2009), that taking advantage of an innovative idea is often the reason why small businesses become successful at doing new things better than anyone else. Invention and innovations increase productivity through new ways to do a job with less effort for less money.

Research and Development and organizational growth in terms of revenue, profitability and liquidity

Research and development in microfinance deposit taking institutions, has been beneficial towards organizational growth. This was established through a set of open-ended questions in the research instrument administered. Research and development has helped to improve the marketing plan which ensures improvement of the market share and growth of the business through revenue growth. Through research and development this is enhanced, since the weak areas in revenue generation are also identified with an aim of fixing them for better revenue generation. Revenue losses have been reduced to negligible levels and enhancing competitiveness of the entity. Review of existing products has also been done with an aim of coming up with better products. This has been useful in influencing organizational growth.

Research and development has been considered to be useful in enhancing growth in microfinance deposit taking institutions. Through research and development, EFT payments and mobile money have been introduced and this has been useful in enhancing liquidity levels of the business and good liquidity position, increasing profitability and hence contributing to organizational growth.

These results are in line with those cited by Crawford (2008) that service firms could do a better job of getting customer input and matching the services according to the customer needs. Explicit consideration of customers and the role of new products in the organization are strongly related to success.

Competent management and organizational growth in terms of revenue, profitability and liquidity

Competent management in microfinance deposit taking institutions in the central region has been beneficial towards organizational growth as established through a set of open-ended questions in the research instrument administered to the respondents.

Competent managers in these institutions think for the growth and development through setting strategic objectives and setting guidelines on how they will be achieved. Competent management have strengthened the foundation and future for these institutions through set targets and realizing revenue growth through planning for any eventualities and controlling the existing liquidity. This in turn has brought about improved profitability and eventually organizational growth. Efficient decision making and constructive criticism from subordinates has made it possible through the presence of competent management.

Competent management is important in strengthening internal controls of the entity which in turn has led to reduced risks, improved revenue and eventually profitability and hence liquidity. Therefore, competent management is important towards organizational growth in microfinance deposit taking institutions in order to ensure success in overall operations of these entities.

To determine whether there is a significant relationship in the level of Adapting to Change and organizational growth in the selected Microfinance Deposit Taking Institutions in the central region in Uganda.

Correlation analysis established that there is a positive and significant relationship between adapting to change and organizational growth in MDIs ($r = 0.602$,

$p \leq 0.01$). This relationship indicates that by management of these microfinance deposit taking institutions adapting to change in their operations, the performance of these institutions will improve and hence organizational growth.

However, the regression analysis results indicated that 'Adapting to change' is a significant predictor ($F = 60.136$; $Sig = 0.000$) of organizational growth, in these microfinance deposit taking institutions, but predicts significantly up to 36.2%. Other factors that are not included in this study influence organizational growth significantly up to 63.8%. The null hypothesis has therefore been rejected which indicated that there is no significant relationship between adapting to change and organizational growth.

In relation to other studies, Monzul *et al.*, asserted that increased cost of capital leads to higher default rates. Increased commercial debt and equity hinders productivity and organizational growth. In this study, the findings shows that in order to mitigate the risks of default, research and development could be applied in order to develop new products in order to diversify in more products that would ensure that the organization would be more profitable hence organizational growth.

Waweru *et al.*, on the performance measurement, asserted that members rely on performance measurement in order to guarantee each other for loans. In this study, the researcher also focused on competent managers as the ones to encourage adapting to the changing environment, hence organization growth. This would as well instill confidence in members to be able to guarantee each other for loans.

Kamukama *et al.*, also talked about competitive advantage and mediation of human capital and financial performance in Uganda's microfinance institutions. The findings of research also supported the hiring of competent management, that would ensure that strong internal controls are instituted to mitigate losses, in order to ensure organizational growth in terms of revenue, profitability and liquidity.

Conclusion

The profile of the respondents

Basing on the discussion of findings, the researcher concludes that microfinance deposit taking institutions in the central region have embraced both masculine and feminine gender fairly since they are fairly distributed. Most of the employees are in their active working age, and therefore are productive in their institutions and focused in organizational growth and the economy as a whole. Most of the organizations have employed degree holders as the majority employees in these institutions who are able to understand the departmental objectives as well as the overall strategic goals.

Through their hard work, they will ensure organizational growth in terms of revenue, profitability and liquidity in their institutions and hence the vision will be achieved and this will ensure success and sustainability.

Extent of embracing change in terms of technology, innovation, research and development and competent management

The researcher concludes that technology has been embraced in microfinance deposit taking institutions in the central region in Uganda. Most institutions use machines such as computers, fax, mobile phones, and photocopiers in transacting business on a daily basis which has greatly improved the production efficiency.

Employees in Micro-finance deposit taking institutions in the central region are encouraged to always generate new ideas, products and processes. These employees are motivated since they are given an opportunity to communicate their new ideas, products and processes to the top managers.

Considering the research and development, activities in MDIs are performed to ensure that the customers get the best services they deserve based on the consideration that 'the customer is the king'. These institutions ensure that their products and or services are tailor made according to the customers' needs.

Research and development in MDIs is carried out in different forms. These institutions design new products that match the tastes and preferences of the customers. This is done through use of information obtained from carrying out research activities.

Competent management in terms of skills and experience in microfinance deposit taking institutions in the central region is embraced as managers hold various positions in line with the responsibilities assigned to them in various departments in these institutions. They improve their competence by ensuring that their work is not affected, and they analyze the strengths and weaknesses of their subordinates. The main aim of identifying skills and competence gap is to subsequently suggest training areas and recommend training opportunities where need arises. The managers in these institutions also ensure that the departmental objectives are aligned to the strategic goals of the organization as a whole. They ensure that strong internal controls are instituted, adequate at both departmental and organizational levels.

Adapting to change through technology, innovation, research and development and competent management and their influence on organizational growth in terms of revenue, profitability and liquidity in attainment of organizational objectives.

Based on the results of the study, the researcher concludes that technology brings about efficiency at work place and reduces costs and increases revenue as more customers are attracted to the better services and thereby increasing revenue in these institutions. These entities are able to increase the revenue through loan repayments and increased interest revenue and subsequently profitability and eventually liquidity. Use of intranet and extranet makes communication easier both internally and externally, and in return creates more business and competitiveness and hence organizational growth.

The researcher therefore contributed to new knowledge in that the endogenous theory did not dwell on use of technology as a means to organizational growth. The results of the study indicate that technology if embraced leads to organizational growth.

Through innovation, MDIs are able to come up with new ideas, products such as EFT, mobile money and also new processes. These new products, ideas and or processes introduce new ways of doing business and hence increased revenue, profitability and liquidity. This is also validated from the schumpeter theory (1934) He argued that economic change revolves around innovation, entrepreneurial activities, and market power. He also sought to prove that innovation-originated market power could provide better results than the invisible hand and price competition.

Through research and development, MDIs are able to offer products that are tailor made to customer tastes and preferences. They are also able to develop a formal mechanism for measuring the impact of customer response towards their improved products. Through research and development, these institutions are able to identify the gaps and endeavor to improve them. This ensures revenue, profitability and liquidity is increased and hence organizational growth.

This has contributed to more knowledge since Schumpeter theory (1934) asserted that the agents that drive innovation and the economy are large companies which have the resources and capital to invest in research and development. The study has proved that SMEs particularly microfinance deposit taking institutions also engage in research and development in order to improve their products and ensure they are tailor made according to the customer tastes and preferences.

Competent management in microfinance deposit taking institutions ensures that there are strong internal controls which reduce operational, financial and reputational risks. Competent management ensures performance of all managerial functions in order

to coordination and achievement the departmental objectives which are aligned to the overall organizational goals. This ensures organizational growth in terms of revenue, profitability as well as liquidity.

This is also supported by the endogenous theory which asserted that investment in human capital and knowledge are main drivers of organizational growth as well as economic growth.

To determine whether there is a significant relationship in the level of Adapting to Change and organizational growth in the selected Microfinance Deposit Taking Institutions in the central region in Uganda.

From the results of the study, the researcher concludes that there is a positive and significant relationship between adapting to change and organizational growth in microfinance deposit taking institutions in the central region in Uganda.

However, 'Adapting to change' is a significant predictor of organizational growth, in these microfinance deposit taking institutions, but predicts significantly up to 36.2%, while other factors not included in this study influence organizational growth significantly up to 63.8%. The null hypothesis has therefore been rejected.

Recommendations

Basing on the conclusions, the following recommendations were found to be useful for this research study;

- i) Small and medium sized enterprises specifically Microfinance deposit taking institutions should always consider employing staff who are competent and productive in order to be able to identify the changes in their environment and embracing the change to achieve the organizational objectives, and hence organizational growth.

- ii) MDIs should continue embracing change. The concepts of technology, innovation, research and development as well as use of competent management systems need to be an ongoing process. In this way, these MDIs will be able to manage the continuously changing business environment, and hence organizational growth in revenue, profitability and liquidity, both locally and internationally.
- iii) These MDIs of SME nature should continuously adapt to changes in their environment in order to encourage growth in revenue levels, profitability as well as liquidity. Since the results confirm that there is a significant relationship between adapting to change and organizational growth.
- iv) Adapting to change in terms of technology, innovation, research and development, and competent management in SMEs and particularly microfinance deposit taking institutions as an ongoing process will significantly influence organizational growth in terms of revenue, profitability, and liquidity as well.

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APPENDICES

Appendix I B

TRANSMITTAL LETTER

Dear Sir/Madam

I am a Masters of Business Administration in finance and accounting candidate of Kampala International University. Part of the requirements for the award is a thesis. My study is entitled **ADAPTING TO CHANGE AND ORGANIZATIONAL GROWTH IN SMES IN SELECTED MICROFINANCE DEPOSIT TAKING INSTITUTIONS IN THE CENTRAL REGION IN UGANDA**. Within this context, I request you to participate in this study by answering the questionnaire. Kindly answer all the questions. Any data you will provide shall be for academic purposes only and no information of that kind shall be disclosed to others.

May I retrieve the questionnaire within five days?

Thanks in advance

Yours Faithfully,

Edith Murugi

Appendix II

Sample Size Calculation

$$n = \frac{N}{1 + N (e^2)}$$

$$n = \frac{150}{1 + 150 (0.0025)}$$

$$n = \frac{150}{1.375}$$

$$n = \mathbf{109 \text{ Respondents}}$$

$$\frac{PS}{PO} \times n$$

PO

Where Ps = sample stratum

PO = target Population

n = the sample size

Appendix III

Content Validity Index Calculation

Table 10: Reliability and validity test results

Variable (Construct)	Cronbach's Alpha Coefficient	CVI
Technology usage	0.723	0.818
Innovation	0.837	0.875
Research and Development	0.714	0.833
Competent management system	0.592	0.714
Organizational growth	0.803	0.844

Average Content validity Index (**CVI**) = $\frac{0.818+0.875+0.833+0.714+0.844}{5}$

5

= **0.817**

The content validity index of this instrument is 0.817, therefore this questionnaire is valid.

Appendix IV

CLEARANCE FROM ETHICS COMMITTEE

Date _____

Candidate's Data

Name _____

Reg. No. _____

Course _____

Title of Study _____

Ethical Review Checklist

- _____ Physical safety of human subjects
- _____ Psychological Safety
- _____ Emotional Safety
- _____ Privacy
- _____ Written request for Author of standardized instrument
- _____ Coding of Questionnaire/Anonymity/Confidentiality
- _____ Permission to conduct the study
- _____ Information Consent
- _____ Citations/Authors recognized

Results of Ethical Review

- _____ Approved
- _____ Conditional (To provide the Ethics Committee with corrections)
- _____ Disapproved Resubmit Proposal

Ethics Committee (Name and Signature)

Chairperson _____

Member _____

APPENDIX V

INFORMED CONSENT

I am giving my consent to be part of the research study of Edith Murugi which will focus on Adapting to Change and Organizational Growth in SMES in Selected Microfinance Deposit Taking Institutions in the Central Region in Uganda.

I shall be assured of privacy, anonymity and confidentiality that I will be given the option to refuse participation and right to withdraw my participation any time. I have been informed that the research is voluntary and that the results will be given to me if I ask for it.

Initials: _____

Date: _____

Appendix VI
RESEARCH INSTRUMENT

QUESTIONNAIRE

Dear respondent,

I am carrying out research to establish the influence of organization's capacity to adapt to change and organizational growth with specific interest in growth in revenue, profitability and liquidity. You have been selected to take part in this research study. This research is conducted for the purpose of obtaining a Masters Degree of Kampala International University. I request that you provide your honest opinion required for this research study to be accomplished successfully. The information obtained from you is solely for the purpose of this research and will be treated with utmost confidentiality purely for academic purposes.

Part 1: Respondent profile *(Please tick what appropriately represents you as a respondent)*

1. Gender; a) Male b) Female
2. Age bracket; a) 20-30 yrs b) 30-40 yrs c) 40-50 yrs Above 50 yrs
3. My highest education level is; a) O-level b) A-level c) First degree
d) Masters Degree e) PhD f) Post Graduate Diploma g) Any other,
specify _____
4. My Department.....
5. Managerial level/Position held.....
6. Name of the Institution.....

Part 2: Adapting to Change and Organizational Growth

2.1 (a) Embracing Technology

In this section, indicate your level of agreement with the statements that are presented below. Do this by ticking the appropriate box with the following key; 4 – Strongly agree, 3 – Agree 2 – Disagree, 1 – Strongly disagree.

	Question item	SD	D	A	SA
i	Technology has been embraced in my department and the entire institution	1	2	3	4
ii	Use of machines eg computers, fax, mobile phones, photocopiers has improved the production efficiency in my department and organization as a whole	1	2	3	4
iii	All my subordinate staff in the department are computer literate	1	2	3	4
iv	All my subordinate staff in the department perform their functions using computers	1	2	3	4
v	In my department, computers are available to everyone	1	2	3	4
vi	There are intranet network connections in our offices	1	2	3	4
vii	There are extranet network connections in our offices	1	2	3	4
viii	The extranet network connections in our offices enable efficient external communication with new business developments	1	2	3	4
ix	The extranet network connections in our offices enable efficient external communication with existing clients	1	2	3	4
x	All IT related problems are solved on a timely basis	1	2	3	4
xi	In this organization we rarely experience system breakdown	1	2	3	4

2.1 (b) Technology and organizational growth

i) In your view do you think embracing technology has influenced organizational growth in your institution? Yes No

If yes, briefly explain how

.....

ii) Has embracing technology influenced revenue growth in your institution?

Yes..... No.....

If yes, briefly explain

.....

iii) Has embracing technology led to increased profitability in your institution?

Yes..... No.....

If yes briefly explain

.....

iv) Has embracing technology improved Liquidity in your institution?

Yes..... No.....

If yes, briefly explain

.....

2.2(a) Embracing Innovation

In this section, indicate your level of agreement with the statements that are presented below. Do this by ticking the appropriate box with the following key; 4 – Strongly agree, 3 – Agree, 2 – Disagree, 1 – Strongly disagree.

	Question items	SD	D	A	SA
i	I encourage my subordinate staff to always come up with new ideas and /or new ways of doing things	1	2	3	4
ii	New products and /or processes developed by my department are communicated to the top managers	1	2	3	4
iii	New products and /or processes developed by my department are adopted accordingly by top managers	1	2	3	4
Iv	Staff that come up with new ideas, products and /or processes in their respective fields are rewarded	1	2	3	4

2.2(b) Innovation and organizational growth

(i) In your view do you think innovation has influenced organizational growth in your institution?

Yes No

If yes, briefly explain how

.....

ii) Has innovation influenced revenue growth in your institution?

Yes..... No.....

If yes, briefly explain

.....

iii) Has innovation led to increased profitability in your institution?
 Yes..... No.....
 If yes, briefly explain

iv) Has embracing innovation improved liquidity in your institution?
 Yes..... No.....
 If yes, briefly explain

2.3 (a) Embracing Research and Development

In this section, indicate your level of agreement with the statements that are presented below. Do this by ticking the appropriate box with the following key; 4 – Strongly agree, 3– Agree, 2 – Disagree, 1 – Strongly disagree.

	Question items	SD	D	A	SA
i	One of our core values is customer satisfaction	1	2	3	4
ii	To keep abreast with new developments about the consumers' preference, we engage in research and development	1	2	3	4
iii	In our organization we consider a customer as a King	1	2	3	4
iv	Our objective in customer satisfaction is to ensure that our products and /or services are tailor made to the customer needs	1	2	3	4
v	We have a formal feedback mechanism to measure the impact of customers' response to our products and/or services for improvement	1	2	3	4

2.3(b) Research and Development and Organizational growth

(i) In your view does research and development influence organizational growth in your institution?
 Yes. No
 If yes, briefly explain

ii) Has Research and development influenced revenue growth in your institution?
 Yes..... No.....
 If yes, briefly explain

.....

iii) Has Research and development led to increased profitability in your institution?

Yes..... No.....

If yes, briefly explain

.....

iv) Has Research and development improved Liquidity in your institution?

Yes..... No.....

If yes, briefly explain

.....

2.4 (a) Embracing Competent Management

In this section, indicate your level of agreement with the statements that are presented below. Do this by ticking the appropriate box with the following key; 4 – Strongly agree, 3 – Agree, 2 – Disagree, 1 – Strongly disagree.

	Question items	SD	D	A	SA
i	I have the right competence in terms of skills and experience for the position I hold in this department	1	2	3	4
ii	I embrace change and encourage flexibility in my department to ensure efficiency and effectiveness	1	2	3	4
iii	I analyze the strengths and weaknesses of my subordinates to propose for career training and development	1	2	3	4
iv	I ensure that the departmental objectives are aligned to the strategic objectives	1	2	3	4
v	I ensure that activities in this department are performed as per the activity work plans	1	2	3	4
vi	I ensure that internal controls instituted in my department are adequate	1	2	3	4
vii	I ensure that internal controls instituted in my department are operational	1	2	3	4
viii	I ensure that internal controls instituted in my department are effective	1	2	3	4

2.4(b) Competent Management and organizational growth

(i) In your view do you think competent management in terms of skills and experience influence organizational growth in your institution?

Yes..... No.....

If Yes, briefly explain how

.....

ii) Does having competent management influenced revenue growth in your institution?

Yes.....

No.....

If yes, briefly explain

.....

iii) Does having competent management lead to increased profitability in your institution?

Yes.....

No.....

If yes, briefly explain

.....

iv) Does having competent management improve Liquidity in your institution?

Yes.....

No.....

If yes, briefly explain

.....

****Thank you so much for participating in this survey. God Bless You!!!****

INTERVIEW GUIDE

1. Does your organization use any form of technology in its operations?
 - a) If yes, how has technology influenced organizational growth in terms of;
 - Revenue?
 - Profitability?
 - Liquidity?

2. Does the management encourage innovation in this institution?
 - a) If yes, how has innovation influenced organizational growth in terms of;
 - Revenue
 - Profitability?
 - Liquidity?

3. Does the management encourage research and development in this institution?
 - a) If yes, how has research and development influenced organizational growth in terms of;
 - Revenue?
 - Profitability?
 - Liquidity?

4. Is the element of competent management in terms of skills and competence embraced in this institution?
 - a) In your view, how has competent management influenced organizational growth in terms of;
 - Revenue?
 - Profitability?
 - Liquidity?

****Thank you so much for taking time to participate in this interview...GOD BLESS YOU!****

RESEARCHER'S CURRICULUM

CURRICULUM VITAE

Name: Edith Murugi Waruru
Citizen: Kenyan
Religion: Christian
Marital Status: Married
Languages: English, Kiswahili
Telephone: 0783-327133/0722-254029
Address: P.O Box 13207-00400 – Nairobi
Email Address: emwaruru@yahoo.com

Working Experience

Currently **Kisaka and Company CPAs (Auditors)**

Position Held Audit Manager

Institution **Mungai Wainaina & Co Auditors**

Position Held Audit supervisor

Institution **Jambo Square Enterprises Limited – Hotel Industry**

Position Held Chief Accountant

Institution **Kimaara Industries Limited – Manufacturing Industry**

Position Held Accounts Assistant

Institution **Carzan Cultures & Laboratories Limited – Growing & Export of flowers**

Position Held Accounts assistant

Professional Qualification

Institution **KCA University (Kenya)**

Professional Course CPA (K) finalist

Academic Qualification

Currently Pursuing Masters Degree (MBA Finance and Accounting) at
Kampala International University (Weekend Programme)

University **Kampala International University**
Bachelor of Business Administration (Accounting Option) (First
Class Honors)

High School **Kambui Girls High School**
K.C.S.E Grade B- (Minus)

Primary School **Kabuku Primary School**
K.C.P.E

Computer Skills **Kenya College of Computing**
Introduction to micro computers, Dos, Windows &
Keyboard.

MS Excel, Ms Word, Access & PowerPoint.

Accounting Packages Quicken, QuickBooks, Tally

Leadership Roles & Membership

Currently Sacco Member
High School Deputy Head girl

Other Achievements Presidential Award – Bronze

Hobbies Reading Inspirational Books/Materials and Novels
Listening to good Music.

Results from T-Tests conducted

One-Sample Test						
	Test Value = 4.5					
					95% Confidence Interval of the Difference	
	t	df	Sig. (2-tailed)	Mean Difference	Lower	Upper
Technology has been embraced in my department and the entire Institution	-11.617	108	.000	-.61927	-.7249	-.5136
Use of Machines eg computers, fax, mobile phones, photocopiers has improved the production efficiency in my department and organization as a whole	-11.617	108	.000	-.61927	-.7249	-.5136
All my subordinate staff in the department are computer literate	-15.302	106	.000	-.83645	-.9448	-.7281
All my subordinate staff in the department perform their functions using computers	-13.943	104	.000	-1.19524	-1.3652	-1.0252
In my department, computers are available to every one	-14.421	108	.000	-1.35321	-1.5392	-1.1672
There are intranet network connections in our offices	-12.605	108	.000	-.67431	-.7803	-.5683
There are extranet network connections in our offices	-11.796	106	.000	-.99533	-1.1626	-.8280
The extranet network connections in our offices enable efficient external communication with new business developments	-11.771	108	.000	-1.08716	-1.2702	-.9041
The extranet network connections in our offices enable efficient external communication with existing clients	-12.165	106	.000	-1.19159	-1.3858	-.9974
All IT related problems are solved on a timely basis	-12.699	107	.000	-1.00926	-1.1668	-.8517
In this organization we rarely experience system breakdown	-13.055	108	.000	-1.25229	-1.4424	-1.0622

One-Sample Test

	Test Value = 4.5					
					95% Confidence Interval of the Difference	
	t	df	Sig. (2-tailed)	Mean Difference	Lower	Upper
I encourage my subordinate staff to always come up with new ideas and /or new ways of doing things	-13.465	108	.000	-.68349	-.7841	-.5829
New products and/ or processes developed by my department are adopted accordingly by top managers	-12.702	108	.000	-.73853	-.8538	-.6233
New products and /or processes developed by my department are adopted accordingly by top managers	-13.404	105	.000	-.93396	-1.0721	-.7958
Staff that come up with new ideas, products and / or processes in their respective fields are rewarded	-14.228	108	.000	-1.62844	-1.8553	-1.4016

One-Sample Test

	Test Value = 4.5					
					95% Confidence Interval of the Difference	
	t	df	Sig. (2-tailed)	Mean Difference	Lower	Upper
One of our core values is customer satisfaction	-20.779	108	.000	-.53670	-.5879	-.4855
To keep abreast with new developments about the consumers' preference, we engage in research and development	-15.055	108	.000	-.65596	-.7423	-.5696
In our organization, we consider a customer as king	-12.175	108	.000	-.71101	-.8268	-.5953
Our objective in customer satisfaction is to ensure that our products and/ or services re tilor made to the customer needs	-15.677	108	.000	-.58257	-.6562	-.5089
We have a formal feedback mechanism to measure the impact of customers' response to our products and / or services for improvement	-11.912	108	.000	-.85780	-1.0005	-.7151

One-Sample Test

	Test Value = 4.5					
					95% Confidence Interval of the Difference	
	t	df	Sig. (2-tailed)	Mean Difference	Lower	Upper
I have the right competence interms of skills and experience for the position I hold in this department	-13.338	107	.000	-.57407	-.6594	-.4888
I embrace change and encourage flexibility in my deprtment in my deprtment to ensure efficiency and effectiveness	-15.301	107	.000	-.60185	-.6798	-.5239
I analyze the strengths and weaknesses of my surbodinate to propose for career training and development	-13.066	107	.000	-.70370	-.8105	-.5969
I ensure that the departmental objectives are aligned to the strategic objectives	-16.824	107	.000	-.62963	-.7038	-.5554
I ensure that activities in this department are performed as per the activity work plans	-13.792	107	.000	-.66667	-.7625	-.5708
I ensure that internal controls instituted in my department are adquate	-14.582	103	.000	-.65385	-.7428	-.5649
I ensure that internal controls instituted in my department are operational	-11.854	105	.000	-.85849	-1.0021	-.7149
I ensure that internal controls instituted in my department are effective	-17.849	106	.000	-.63084	-.7009	-.5608